PRICEWATERHOUSECOOPERS

Investigation of CareNet Technology Society and the Provincial Government's Dealings with Douglas F. Walls

FOR INTERNAL AUDIT AND ADVISORY SERVICES, OFFICE OF THE COMPTROLLER GENERAL, MINISTRY OF FINANCE

May 6, 2004

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Executive Summary

Contracts and Payments

- Douglas F. Walls ("Doug Walls" or "Mr. Walls"), through companies controlled by his immediate family members, was awarded contracts with the Ministry of Human Resources ("MHR"), the Community Living Transition Steering Committee ("CLTSC") and the Interim Authority for Community Living British Columbia ("Interim Authority") totalling approximately $350,000 in fees from 1999 to 2004. These contracts were not awarded or managed in accordance with government financial policy for the following reasons:
    - competitive bids were not sought when the contracts were expected to be in excess of $25,000;
    - no documentation was maintained on file to justify the direct awarding of the contracts;
    - contracts were executed after the work actually started; and
    - payments were made in excess of the contract amount.

Appointments

- Doug Walls was never a committee or board member of CLTSC or the Interim Authority respectively. He acted in the capacity of a contractor only, although he was designated acting Chief Executive Officer of the Interim Authority for ministry-related activity and involvement only.
- We found no evidence of undue outside influence in Mr. Walls' appointments as a contractor to CLTSC and the Interim Authority; we did find a complete lack of due diligence with respect to Mr. Walls, [Section 22]

Relationships

- Without any actual official position, Mr. Walls managed to insinuate himself into an influential position in the Ministry of Children and Family Development ("MCFD" or "Ministry") by utilizing his long-term professional relationship with Chris Haynes, former Deputy Minister of MCFD. We concluded that Chris Haynes encouraged and accepted significant input from Mr. Walls into the affairs of MCFD even though Mr. Walls had no official position in the Ministry. We concluded that theirs was an unusual relationship that we would not have expected to find between a Deputy Minister and someone not officially connected to the Ministry.

- Mr. Walls was highly involved in the activities of the CareNet Technology Society ("CareNet" or the "Society") and instrumental in garnering significant MCFD support for connection charges incurred by CareNet.

- Mr. Walls failed to disclose to Mr. Haynes and others that [Section 22]

- Mr. Walls attempted to influence the appointment of Chris Haynes as Deputy Minister; he was admonished by the Premier for his interference.

CareNet Technology Society

- We found the total cost of the CareNet project to the Province and other stakeholders was as follows.

Cost to the Province:	
Direct cost to the Province:	
Elimination of account receivable from CareNet	$ 537,180
Assumption of CareNet connection charges	590,903
Total direct cost to the Province	$1,128,083
Indirect cost via CareNet member agency funding	1,214,808
Total cost to the Province	2,342,891
Cost to other stakeholders:	
Mr. Howard Kettner and/or WestPro companies	899,204
Unpaid contractors and creditors of CareNet	114,977
Unpaid contractors and creditors of WestPro Solutions Inc.	419,776
Total cost of the CareNet project	$ 3,776,848

- Media reports indicate that MCFD wrote off a $400,000 loan to CareNet. For the following reasons, this was a mischaracterization of the situation:
  - MCFD never actually loaned $400,000 to CareNet;
  - MCFD eliminated the Province's account receivable from CareNet by journal entry in the total amount of $537,180 by means of journal voucher transfers of funds from MCFD to Common IT Services ("CITS"), formerly the Information Technology Services Division ("ITSD");
  - This amount included: $50,000 pursuant to a Memorandum of Understanding between MCFD and CareNet, $2,241 effectively written off, and $484,939 without any form of agreement or contract in place;
  - the accounting effect of the transactions above was a community governance expense to MCFD;

  - the total amount of connection charges paid by MCFD to February 2004 was $1,128,083, and except for the first $50,000, without any form of contract or written agreement in place; and
  - We concluded that the direct approval for MCFD's acceptance of the connection charges, after the initial $50,000 pursuant to the Memorandum of Understanding, came from Wayne Ironmonger, former Executive Director Electronic Services Delivery Division. However, we also concluded that Mr. Ironmonger's action was authorized by Les Foster, former Assistant Deputy Minister and Executive Financial Officer, and Chris Haynes, in his role as Deputy Minister of MCFD.
- Doug Walls attempted to influence key provincial staff members with respect to MCFD accepting responsibility for the payment of the CareNet connection charges. However, we found no direct evidence that his attempts were what affected the decisions of MCFD staff in this regard.

1.0 Introduction

1.1 Retainer of PricewaterhouseCoopers LLP

On January 30, 2004, PricewaterhouseCoopers LLP ("PwC"), pursuant to a competitive Request for Expressions of Interest process, was retained by Internal Audit and Advisory Services ("IAAS"), Office of the Comptroller General, Ministry of Finance to conduct an investigation on behalf of IAAS. The nature of the investigation required PwC to access records (paper and electronic) and conduct interviews in multiple ministries, government agencies, and with external parties connected to the focus of the investigation.

1.2 Terms of Reference

The purpose of the assignment is as follows:

- to investigate the financial and other affairs of CareNet Technology Society ("CareNet" or the "Society") as well as the appropriateness of the Province's dealings with Douglas F. Walls ("Mr. Walls" or "Doug Walls"), during the calendar years 1999 through 2004; and
- to determine whether Mr. Walls' relationships with certain key officials were business in nature and were carried out in the best interests of the Province.

Mr. Walls is a former Prince George businessman with some connection to the Liberal Party of BC. [Section 22]

he has had long-term and significant involvement in the community living movement, both as a volunteer and paid consultant. Mr. Walls' history and qualifications are set out in Section 3.5 of this report.

The actual Terms of Reference for the assignment, as provided by IAAS, are set out below. Throughout the Terms of Reference the "individual" referred to is Doug Walls. Notwithstanding the use of the term "independent auditor" in the Terms of Reference, PwC's role in this assignment has been as investigator. As investigators, we are not expressing any opinion in respect of the financial statements of entities examined during the course of our engagement.

The following are the Terms of Reference provided by IAAS.

Scope and Objectives

"The investigation will initially cover the period from 1999 to 2004. The period covered may be expanded if the independent auditor determines it is necessary.

The investigation will include the following.

Contracts and Payments

The independent auditor will review all payments to the individual and related companies and supporting contracts with the government, including but not limited to the Ministry of Children and Family Development, the Ministry of Human Resources, the Interim Authority for Community Living BC and related committees to determine:

- whether the contracts were awarded through a competitive process;
- if the contracts were not competed, the basis on which they were awarded;
- who approved the awarding of the contracts;
- whether payments against the contracts were supported with evidence that the contract deliverables were provided and on what basis that assessment was made;
- who approved the payments;
- whether the contracts were managed in accordance with government policy; and
- whether there is evidence of undue outside influence in the awarding and management of the contracts.

Appointments

The independent auditor will review the individual's role in any government-sponsored boards and committees, including but not limited to the Interim Authority for Community Living BC and the Transition Steering Committee, to determine:

- who appointed the individual;
- the basis for appointing the individual;
- remuneration the individual received and how it was derived;
- the individual's role on the committee, including delegated authority to make decisions and commit funds; and
- whether there is evidence of undue outside influence in the appointment or activities of the individual to the boards and committees.

Relationships

The independent auditor will review the relationships with certain government officials and the individual to determine:

- the nature of the relationship (business or personal);
- the individual's influence on key decisions and appointments.
- Government officials considered will include but not be limited to:
- the Minister of Children and Family Development, the Honourable Gordon Hogg;
- Minister of State for Early Childhood Development, the Honourable Linda Reid;
- the Deputy Minister of Children and Family Development, Mr. Chris Haynes;
- the Board of the Interim Authority for Community Living BC; and
- the Executive Committee for the Interim Authority for Community Living BC.

CareNet

Phase 1 of the CareNet investigation determined that CareNet has filed for bankruptcy and its records are in the hands of a trustee. Phase 1 also determined that government does not have a contract with CareNet that includes the legal right to conduct an audit. Without legal

> authority, the trustee will not allow government access to CareNet's records. One option being pursued is to determine whether government can gain access to CareNet's records through the Society Act. If the Minister of Finance determines that it is in the public interest to conduct an investigation of CareNet under the Society Act, the independent auditor will conduct that investigation. The investigation's objectives will include determining whether:
>
> - the funds received from the CareNet member agencies are adequately accounted for;
> - payments to WestPro Solutions Inc. (later known as CareNet Systems Inc.) and amortization of prepaid expenses were properly authorized and were supported with evidence that the contract deliverables were provided;
> - payments to CareNet's creditors were transparent and equitable, specifically whether preference was given to amounts owed to WestPro Solutions Inc.; and
> - the individual's roles in CareNet and WestPro Solutions Inc. constitute a conflict of interest and whether the individual derived a personal benefit from those roles."

For the purposes of our report, we defined "undue outside influence" as any form of successful advocacy, lobbying, or application of pressure on government decision making. We recognize that attempts to influence may in some circumstances be inappropriate; however, unless successful, we do not consider them to be "undue outside influence".

1.3 Glossary of Terms and Abbreviations

In this report we refer to many organizations, government ministries, and individual positions using acronyms and abbreviations. To assist the readers' understanding of these references, we included a glossary of terms and abbreviations as Appendix A.

2.0 Summary of Findings and Recommendations

As a result of our investigation of the matters referred to in the Terms of Reference set out in Section 1.2 of this report, we set out below a summary of our findings and recommendations in essentially the same order as the questions posed in the Terms of Reference.

2.1 Contracts and Payments

We found that Doug Walls provided consulting services to the Ministry of Human Resources ("MHR"), the Community Living Transition Steering Committee ("CLTSC"), and the Interim Authority for Community Living British Columbia ("Interim Authority"). The actual contracts were with The Northern Social Policy Group Inc. ("NSPG") and Social Policy Group SPG Inc. ("Social Policy Group"), companies controlled by members of Mr. Walls' immediate family. Mr. Walls performed the actual work described in the contracts.

The following table summarizes the payments made to Mr. Walls or companies related to him, directly or indirectly from government, including the amount he was actually paid by West Pro Solutions for work related to CareNet, for the period from 1999 to 2004.

Description	Fees	GST & Expenses	Total
MHR	$ 83,404	$ 13,861	$ 97,265
CLTSC	63,865	5,661	69,526
Interim Authority	201,080	12,368	213,448
	348,349	31,890	380,239
West Pro Solutions (approx.)	$ 165,000		$ 165,000
Total	$ 513,349	$ 31,890	$ 545,239

Ministry of Human Resources and Ministry of Social Development and Economic Security

- NSPG (Doug Walls) was awarded two contracts with MHR that were not subject to a competitive process; instead they were directly awarded without written justification on file.

- Mr. Chris Haynes, in his capacity at the time as Assistant Deputy Minister, authorized both contracts on the basis that he considered Doug Walls to be the person most qualified to provide the services.

- The first contract, awarded in December 1998, had a maximum value of $45,000 and NSPG was paid $25,846.67 ($24,958.88 of fees and $898.21 of expenses) on this contract. We noted that two of the four invoices that supported payments for this contract were not on file.

- The second contract for $25,000 was awarded in June 1999 but subsequent amendments brought the total to $70,000. NSPG was paid a total of $71,418.50; $1,418.50 in excess of the amended contract amount.

- Mr. Haynes was responsible for evaluating the work performed under the contracts and he indicated to us that Mr. Walls provided the required contract deliverables. Mr. Haynes also approved the payments to NSPG as the spending authority on the contracts.

- WestPro Web Technologies Inc. was awarded a $15,000 contract with the Ministry of Social Development and Economic Security ("MSDES") in March 2001 for consulting services related to the Ministry's Electronic Services Initiative. This contract was not completed and no payments were made to WestPro Web Technologies Inc..

- In our view, the contracts were not managed in accordance with government policy; however, we found no evidence of undue outside influence either in the awarding or management of the contracts.

- Further details on these contracts are set out in Section 5.1.2 of the report.

Community Living Transition Steering Committee

- Two contracts totalling professional fees of $44,800 were awarded directly to NSPG without competition; however, CLTSC contracting process was not subject to the Province's Financial Administration Act.

- NSPG billed CLTSC $63,865 in professional fees, $19,065 in excess of the amended contract amount.

- According to David Driscoll, Co-Chair of CLTSC, and Laney Bryenton, CLTSC member, they were unaware that the contract amount was exceeded.

- Mr. Walls told us he was unaware that NSPG's billings exceeded the amended contract amount.

- Mr. Walls was described to us by CLTSC committee members as a hard-working individual who provided the deliverables set out in the contracts.

- The CLTSC contracts were administered by the British Columbia Association for Community Living ("BCACL") and paid out of a $450,000 grant from the Ministry of Children and Family Development ("MCFD" or the "Ministry"); accordingly these funds should have been disbursed in a fiscally responsible manner with appropriate accountability and due diligence. This was not the case as the payments exceeded the contract amount and the contracts were awarded without competition.

- We also found that five other contracts between CLTSC and contractors other than NSPG, with values exceeding $25,000, were awarded without competition; and except for one, were all signed retrospectively. Although we did not find evidence of undue outside influence in the awarding and management of these contracts, we did find poor management practices as set out above.

- We also found that unspent funds of approximately $64,600 from the CLTSC grant were not returned to MCFD by BCACL in accordance with the conditions of the grant. We understand, however, that steps have been taken by MCFD to recover this amount.

- Further details on these contracts are set out in Section 5.1.3 of this report.

Interim Authority for Community Living British Columbia

- Social Policy Group entered into a contract with the Interim Authority with a total amended value of $211,200.
- The contract included work performed by Doug Walls before the inception of the Interim Authority.
- The original contract was awarded without competition, without the posting of a Notice of Intent, and without documentation to justify a direct award.
- A Notice of Intent was published for the first amendment to the contract; however, there were inconsistencies in the contract period and amounts.
- A Notice of Intent for the second amendment states that objections to the direct award of the contract should have been submitted to the Interim Authority by September 12, 2003; however, we note that the second amendment was signed on August 27, 2003.
- We found that Social Policy Group billed for 48.2 days more than allowed by the contract. The value of the over billing was $26,510 (48.2 days at $550 per day).
- We found that despite being required to follow the Financial Administration Act, the Interim Authority developed and implemented financial policies that were not in accordance with the Financial Administration Act.
- Further details on this contract are set out in Section 5.1.4 of this report.

2.2 Appointments

As indicated in the previous section of the report, Doug Walls was a contractor to both CLTSC and the Interim Authority. He was never appointed to the committee of CLTSC or the Board of the Interim Authority.

Community Living Transition Steering Committee

- Doug Walls was hired as a contractor to perform the role of Project Coordinator starting in July 2002, and to provide support to various sub-committees.
- Mr. Walls' role as Project Coordinator was approved by CLTSC in June 2002.
- Mr. Walls was selected as a contractor on the basis of his qualifications: he had long-standing involvement in the community living sector, he was a Past-President of BCACL, and he was characterized as a "high-utility worker".
- We found no evidence of undue outside influence in the contracting of, or activities of Mr. Walls with respect to CLTSC.
- Further details are set out in Section 5.2.1 of our report.

Interim Authority for Community Living British Columbia

- Mr. Walls' appointment as a contractor to the Interim Authority was made by the Executive Committee of the Interim Authority and documented in the Executive Committee meeting minutes of November 18, 2002. Mr. Walls was a "lead consultant" with the title "Senior Consultant, Planning and Development".
- According to David Driscoll, on January 20, 2003 the Executive Committee designated Mr. Walls as acting Chief Executive Officer only for purposes of all "*Ministry-related activity and involvement*". This designation was for convenience purposes only; Mr. Walls'

official title continued to be “Senior Consultant, Planning and Development”.

- We found that Mr. Walls became involved in almost every aspect of the Interim Authority and he influenced the direction of the organization.
- Further details are set out in Section 5.2.2 of our report.

2.3 Relationships

Based on our review of a large volume of e-mail, it appears that Mr. Walls worked tirelessly to facilitate the vision of community living and individualized funding that he shared with a number of others. Mr. Walls has confirmed he did his utmost to influence Chris Haynes. [Section 22]

We found that Mr. Walls often tried to impress by indicating that he had personal relationships with elected government officials and other decision makers.

However, notwithstanding Mr. Walls’ penchant for name-dropping, we believe that he was quite successful as an advocate for the community living sector; based on the following evidence.

- Without any actual official position, Mr. Walls managed to insinuate himself into an influential position in MCFD by utilizing his long-term professional relationship with Chris Haynes.
- Mr. Walls was highly involved in the activities of CareNet and instrumental in attempting to garner MCFD support for connection charges incurred by CareNet.
- Mr. Walls was able to influence the drafting of the MCFD “Discussion Paper on Community Living Services”.
- Mr. Walls was able to influence the process of drafting the autism Request For Proposal (“RFP”) on behalf of MCFD.

- Mr. Walls was one of the most influential consultants to both the CLTSC and the Interim Authority.

We found that Mr. Walls was aware of an RCMP investigation that began in 1998 into his business practices at Fred Walls & Son Ltd. dealership; however, he did not disclose this to parties he contracted with, and apparently did not respond accurately or candidly when questioned about the matter by Chris Haynes.

Elected Government Officials

- We found that Mr. Walls' relationship with Premier Gordon Campbell was primarily political in nature because of Mr. Walls' involvement in politics at both the local and provincial levels. We also found that although Mr. Walls attempted to influence the appointment of Chris Haynes as Deputy Minister, he was rebuffed and admonished by the Premier for his inappropriate attempt to interfere in the appointment process.

- We found that Mr. Walls and Gordon Hogg, former Minister of MCFD, met on a number of occasions, always with others in attendance, and that Mr. Walls sent numerous e-mails to Mr. Hogg and spoke to him by telephone. The content of e-mails reviewed suggests these communications were part of strenuous lobbying by Mr. Walls to push forward the community living and individualized funding agendas.

- We found no evidence that Mr. Hogg was aware of Mr. Walls'[Section 22]

- We found that Mr. Walls' relationship with Linda Reid, Minister of State for Early Childhood Development, was of short duration and related solely to the development of the autism RFP.

- Mr. Walls had a long-term personal and professional relationship with Shirley Bond, Minister of Advanced Education, which began in Prince George while both served on the Prince George School Board. We understand that Mr. Walls encouraged Shirley Bond to run for provincial office. There is some disagreement between Mr. Walls and Ms. Bond as to the nature and content of some of the communication between them. Mr. Walls suggested in e-mails to Mr. Haynes that Ms. Bond may have communicated privileged cabinet information to him. However, Minister Bond's reaction to this was that she was "offended by the characterizations" of her and the statements attributed to her by Mr. Walls.

- Later in our investigation, Mr. Walls stressed that Ms. Bond was "paranoid" about keeping cabinet confidentiality and suggested that he may have exaggerated somewhat in his e-mails to Chris Haynes. The latter would be consistent with our earlier comments about Mr. Walls' tendency to name-drop.
- Further details are set out in Section 5.3.1 of our report.

Non-Elected Government Officials

- We found that Doug Walls had a close working relationship with Chris Haynes which started in 1983/1984. Based on our review of e-mails and our interviews of Mr. Haynes and Mr. Walls, we found that Mr. Walls actively lobbied for a Deputy Minister position for Mr. Haynes. Mr. Haynes told us that he "never felt beholden" to Mr. Walls for his lobbying efforts but believed that Mr. Walls could make a significant contribution to MCFD. Mr. Haynes stated that he listened to Mr. Walls' advice but insisted he made his own decisions.
- We concluded that Mr. Haynes encouraged and accepted significant input from Doug Walls into the affairs of MCFD from the time of his appointment as Acting Deputy Minister in June 2001 through 2002, even though Mr. Walls had no official position in the Ministry and no status as a contractor to the Ministry. Mr. Haynes discussed MCFD business and staff issues with Mr. Walls on a regular basis, and involved Mr. Walls in the drafting and editing of key Ministry position papers and other documents. We concluded that theirs was an unusual relationship that we would not have expected to find between a Deputy Minister and someone not officially connected to the Ministry.

- Mr. Walls and Martyn Brown, Chief of Staff, Office of the Premier, had what could best be described as a political relationship that stemmed from Mr. Walls' political involvement prior to the May 2001 general election. Mr. Walls' subsequent contact with Mr. Brown was related to the former's lobbying efforts with respect to community living.
- Although Mr. Walls attempted to lobby for the appointment of Chris Haynes as a Deputy Minister, he had no direct contact with Ken Dobell, Deputy Minister to the Premier and Cabinet Secretary, who was ultimately responsible for such appointments. We found no evidence of undue pressure or influence with regard to Mr. Dobell's decision to recommend Mr. Haynes for the position of Acting Deputy Minister of MCFD.
- Further details are set out in Section 5.3.2 of our report.

2.4 CareNet Technology Society

- CareNet was formed to address the need for secure exchange of data between the Province and community living service providers. From the outset, the Society was tied financially and administratively to WestPro Solutions Inc. ("WestPro Solutions"), of which Doug Walls was Vice President - Finance, Strategic Alliances.
- Mr. Walls, through NSPG, billed WestPro Solutions approximately $240,000 for his work related to CareNet; however, he only received payments of approximately $165,000.
- CareNet was experiencing financial difficulty as early as the fall of 2002, at which time relations with WestPro Solutions were severed. CareNet became bankrupt on September 9, 2003.
- During the period May 7, 2001 to September 9, 2003, member agencies contributed a total of $1,214,808 to CareNet. These contributions were essentially indirect government funding as member agencies receive substantially all of their funding from the Province.

- For the period May 16, 2001 to September 3, 2002, CareNet made actual payments totalling $903,460 to WestPro Solutions.
- We determined that the relationship between CareNet and WestPro Solutions created a potential conflict of interest and accordingly was not an ideal arrangement for management of a non-profit organization.
- WestPro Systems Group Inc. and its principal Howard Kettner, provided financing to WestPro Solutions in the total amount of $899,204 in relation to its work on behalf of CareNet. We understand this amount is unrecoverable.
- As at September 30, 2003, the fiscal year-end of WestPro Solutions, the unpaid amounts to contractors and creditors of WestPro Solutions totalled $419,776. We understand they are unlikely to recover this amount.
- As at September 9, 2003, the Statement of Affairs shows the total amount owing to unsecured creditors of CareNet was $114,977 plus a number of undetermined amounts.
- The total cost of the CareNet project can be summarized as follows:

Cost to the Province:	
Elimination of ITSD/CITS accounts receivable by journal voucher to MCFD	$ 537,180
Direct electronic billings from ITSD/CITS to MCFD	590,903
Total direct cost via ITSD/CITS connection charges	$1,128,083
Indirect cost via CareNet member agency funding	1,214,808
	2,342,891
Cost to Howard Kettner / WestPro companies	899,204
Cost to contractors and creditors:	
Unpaid contractors and creditors of CareNet	114,977
Unpaid contractors and creditors of WestPro Solutions	419,776
Total Cost of CareNet Project	$ 3,776,848

- With respect to the ongoing value of the CareNet project we had the following findings.

  - The member agencies received some value from the connections to SPAN BC until they were disconnected in February 2004.
  - The CareNet project was never completed due to lack of funding and therefore the product developed by CareNet has no ongoing value.
  - MCFD recognized some on-going value of the secure network connections for the service agencies and continued to pay for the connections until February 2004;
  - The Statement of Affairs in the bankruptcy of CareNet attributes no value to the property (software licenses, software applications, and e-mail infrastructure) of the Society.
  - We understand that MCFD has undertaken a new project which would have made the CareNet project redundant in any event.
- With respect to the issue of CareNet connection charges, we had a number of findings.
  - The reported $400,000 "loan write-off" is a mischaracterization of what happened. It is more appropriately described as the elimination of a $484,939 account receivable from CareNet to ITSD/CITS by journal entry. The amount of $484,939 reflects the connection charges from April 2001 to June 2002.
  - The total amount of expense for connection charges accepted by MCFD over the period January 2001 through February 2004 was $1,128,083.
  - This amount could be characterized as a transfer of MCFD's budget to Information Technology Services Division ("ITSD") (later "CITS"), as it was effected by a series of journal vouchers and electronic billings between MCFD and the Ministry of Management Services / CITS.
  - Except for a Memorandum of Understanding between CareNet and MCFD for a $50,000 Ministry contribution to the connection charges, there was no other contract or written agreement in

place between MCFD and the Ministry of Management Services /CITS in relation to the CareNet connection charges.

- We concluded that the direct approval for MCFD's acceptance of the connection charges, after the initial $50,000 pursuant to the Memorandum of Understanding, came from Wayne Ironmonger, former Executive Director Electronic Services Delivery Division. However, we also concluded that Mr. Ironmonger's action was authorized by Les Foster, former Assistant Deputy Minister and Executive Financial Officer, and Chris Haynes, in his role as Deputy Minister of MCFD.
- We determined, based on our interviews and review of e-mail correspondence that Doug Walls attempted to influence key provincial staff members with respect to MCFD accepting responsibility for the payment of the CareNet connection charges. However, we found no direct evidence that his attempts were what affected the decisions of MCFD staff in this regard.
- Further details are set out in Section 5.4 of our report.

2.5 Recommendations

As a result of our investigation, we make a number of recommendations to the Province which we believe will assist in avoiding further problems with regard to the hiring of contractors and awarding of grants to non-governmental agencies.

Recommendation 1

That, where practical and depending on the size of contracts, the Province undertake measures to conduct appropriate due diligence on prospective contractors, including:

- credit and background checks on both contract signatories and the individuals performing the actual work;
- requirement for business references;

- active checking with referees; and
- identification of shareholders, directors and officers of contracting companies.

Recommendation 2

That the Province ensure contracts or agreements are in place prior to any funding provision for private sector initiatives or enterprises, in compliance with policy.

Recommendation 3

That the Province clarify whether the Financial Administration Act is applicable to government sponsored committees, interim and permanent authorities, and other recipients of government grants.

Recommendation 4

That the Province ensure that the dissemination of government information to persons outside of government is restricted to Freedom of Information and Protection of Privacy requests and officially sanctioned releases.

Recommendation 5

That the Province ensure that senior government officials observe appropriate independence and objectivity by maintaining proper distance and separation from influences outside government.

3.0 Background Information

3.1 History

Starting in the early 1950's British Columbians with developmental disabilities were cared for in large institutions such as Woodlands in New Westminster, Glendale in Victoria and Tranquille in Kamloops. In 1981 the Province committed to the closure of these institutions based on a number of factors including the following:

- significant capital costs involved in operating and maintaining the aging institutions;
- human rights issues regarding the quality of life of institutionalized patients; and
- increasing pressure from parents and advocacy groups for the Province to provide disabled people with the necessary services in their home communities.

With the closing of the last of the institutions in 1996 the Province's transition to a non-institutional based service delivery model was completed. In the same year the former NDP government created the Ministry for Children and Families to oversee both the community living and child protection sectors.

3.2 Community Living Transition Steering Committee

When the new Liberal government came to power in 2001, it created the MCFD which would oversee, among other things, delivery of services to the community living sector. In October 2001 MCFD issued a report entitled "*Discussion Paper on Community Living Services*" which examined the challenges and opportunities facing the Province in relation to the community living sector. The report concluded that the existing government intervention-based service delivery system was not working and was not economically sustainable.

Community Living Coalition

In November 2001 a coalition of individuals and agencies involved in the community living sector (the "Community Living Coalition") issued a proposal to MCFD entitled "Transforming Community Living Services". The proposal contemplated the creation of a new governance structure, which would take the Province out of a direct role in providing community living services to children with special needs and adults with developmental disabilities.

Formation of CLTSC

Based on the findings of MCFD's "*Discussion Paper on Community Living Services*", the Community Living Coalition proposal, and the outcome of Core Review, Minister Gordon Hogg established CLTSC in April 2002. The mandate of CLTSC was to make recommendations to the MCFD regarding the transfer of the delivery of community living services to a new provincial authority similar to that contemplated in the Community Living Coalition proposal. The CLTSC was made up of twenty-five volunteer members representing various interest groups within the community living sector. The CLTSC organized itself into six working groups that addressed the various areas involved in the transfer of services. These working groups were as follows:

- Accountability and Information Transfer Planning Committee;
- Governance Planning Committee;
- Individualized Funding and Planning Options Planning Committee;
- Communication Planning;
- Services to Children with Special Needs Planning Committee; and
- Human Resource and Finance Planning Committee.

In order to fulfill its mandate, CLTSC required funding. As the committee was not a legal entity and not within government, BCACL was appointed to act as trustee for a $450,000 grant provided by MCFD. The CLTSC issued its final report on October 22, 2002.

3.3 Interim Authority for Community Living British Columbia

Bill 65 – The Community Services Interim Authorities Act was passed on October 29, 2002. This legislation states the purposes of the interim authorities are:

> a) "to prepare for the establishment and operation of a new authority; and
>
> b) to perform the functions necessary to facilitate a new authority providing some or all community services or administrative services in place of the MCFD."

A Memorandum of Understanding was signed on November 13, 2002 to create the Interim Authority and Minister Hogg appointed Mr. David Driscoll as the Chair.

The first Board of the Interim Authority was comprised of twenty-five members who represented all geographic areas of British Columbia. The Board was comprised of:

- eighteen members who were either parents of children with developmental disabilities or autism spectrum disorder, and/or Executive Directors of community living-related agencies;
- three self advocates; and
- four other members appointed by the Minister of MCFD.

3.4 CareNet Technology Society

CareNet was incorporated under the Society Act on September 15, 2000 and was governed by a Board consisting of senior executive officers of non-profit community care agencies. Section 2 of the Society's constitution identifies its purposes as follows:

- "to promote the use of information technologies among community based organizations, educational institutions, service providers, foundations and other entities interested in the civic sector;
- to develop and provide information technology applications and related services, which will enhance the ability of community based organizations, educational institutions and service providers to serve people in an efficient manner;
- to provide education in the area of information technology to community based organizations, educational institutions, service providers and foundations;
- to co-operate with public and private agencies, departments of government and other organizations interested in the objectives of the Society;
- to seek support and assistance, financial and otherwise, from all persons and organizations for the purpose of the Society; and
- to own real and personal property and provide suitable buildings and other property to further the objectives of the Society."

The Society became bankrupt on September 9, 2003.

3.5 Doug Walls – History and Qualifications

Doug Walls is the major focus of our investigation; therefore, we believe it is incumbent on us to set out in some detail his history and qualifications. We obtained and reviewed Mr. Walls' personal résumé and biography and in addition collected information on his activities from other sources.

Personal Background

Mr Walls is fifty-one years old and was born and raised in Prince George. He currently lives in Surrey, BC. Mr Walls attended the University of Victoria from 1970 – 1974 where he obtained a BA in Economics (Honours). From 1998 to 2000 he studied at the University of Northern British Columbia in pursuit of an MA in Political Science and Public Administration. He is currently at the thesis stage of his MA.

The details of Mr. Walls' employment, volunteering and consulting history were provided by Mr. Walls and although we did not verify these details, we have no reason to question their accuracy.

Employment History

Mr. Walls' experience in the private sector includes holding various positions at of Fred Walls & Son Ltd. including President and General Manager of the Ford dealership from 1974 to 1998. Mr. Walls was also involved in the Tandem Group of Companies in Prince George from 1983 to 1994, as the Managing Partner of this consortium that included construction, retail food and clothing, and property development.

Volunteering History

Mr. Walls has an extensive history since 1980 of volunteering in the not-for-profit sector. His volunteer management positions are listed below.

- Director AiMHi - Prince George Association for Community Living ("AiMHi") 1980 – 1990.
- Treasurer AiMHi 1981 – 1982.
- President AiMHi 1982 – 1986.
- Director British Columbia Association for Community Living ("BCACL") 1983 – 1991.
- Vice President BCACL 1984 – 1986.
- President BCACL 1986 – 1989.
- Governor – Law Foundation of British Columbia 1987 – 1994.
- Chair – Management & Finance Committee – Board of Governors of the Law Foundation 1989 – 1994.
- Trustee – School District No. 57 (Prince George) 5 successive terms 1987 – 2001.

- Chair – Management & Finance Committee – School District No. 57 (Prince George) 1996 – 2000.
- Worked with City of Prince George, Provincial Ministry of Social Services and Human Resources Development Canada and their hired consultants to establish tri-party pilot project to support employment initiatives for adults with a disability.
- President - Employment Action 1991 – 2000.
- Director of the BC Personal Brokerage Society 1990 – 1992.
- Chair - Advisory Board – Roman Catholic Episcopal Corporation Community Services Diocese of Prince Rupert and Prince George 1993 – 2000.
- Chair - Consortium – The Job Shop 1996 – 2000.

Consulting History

Mr. Walls had some consulting experience in the non-profit and public sectors. His experience can be summarized as follows.

- Project Supervisor – PLC Personal Living Choices Society – 1999 – 2000.
- Director of Social Enterprise – Planned Lifetime Advocacy Network ("PLAN") – 1999 to 2002.
- University of Northern BC – Phase One of the study to create a non-profit corporation owned by the University to manage all non-educational services 1999-2000.
- MHR – research and consulting 1998-1999.
- CLTSC – support to the committee and its working groups and oversight of the production of the final report 2002.
- Interim Authority – support to the Board of Directors as Senior Consultant – Development and Planning 2002-2003.

Political History

In addition to his approximately fifteen years as a Trustee in School District No. 57 (referred to above), Doug Walls was involved as a member of the Liberal Party of Canada in the late 1960s, at which time he actively campaigned for a Prince George area candidate. From approximately 1980 to 1988 he was a member of the Social Credit Party of BC and for some of those years the Director of a Prince George area constituency association. Mr. Walls was an active member of the Liberal Party of BC starting in 1993. In 1994 he became President of the Liberal's Omineca Constituency Association. He was actively involved with the Liberal Party of BC until shortly after the 1996 election.

General Experience and Qualifications

Mr. Walls' experience and qualifications with non-profit and advocacy organizations are extensive. He has been described as a "tireless worker" who turns out significant amounts of written material and advocates strongly for a community living and individualized funding model for service delivery to the developmentally disabled. Other testimonials to his abilities from people we interviewed are, "a loss to BCACL and the movement - he got the job done" and "Doug demonstrated skill – he took a leading role in the preparation of the Transition Steering Committee report." Mr. Walls has managed several major projects involving public, private and non-profit partners and has had a long-term relationship with various ministries of the provincial government. An excerpt from his résumé detailing his experience and qualifications can be found in Appendix B.

Bankruptcies and Legal Issues

On March 18, 1998, Fred Walls & Son Ltd., the Prince George automobile and truck dealership of which Doug Walls was President, was forced into receivership by Ford Credit of Canada. [Section 22]

[Section 22]

4.0 Scope of Review

In the course of conducting our investigation, we accessed a large volume of documentation in both electronic and paper form, not all of which turned out to be pertinent to our findings and conclusions. To attempt to provide a list of all of the documents reviewed and relied upon in our report is not realistic. Accordingly, we have not listed all of these documents, but instead refer to various categories of documents as well as interviews that support our findings and conclusions.

4.1 Documents Reviewed

- The draft December 2003 report "Investigation – CareNet Technology Society, Interim Report – Phase I", prepared by IAAS for MCFD.
- The financial and other records of CareNet, obtained from Mr. Russell Law of MacKay & Company Ltd., Trustees in Bankruptcy.
- E-mail communications downloaded from backup tapes and provided by Common Information Technology Services ("CITS") staff.
- E-mail communications downloaded from computer hard-drives by PwC staff.
- Copies of contracts from MCFD and MHR files.
- Copies of ITSD/CITS invoices and statements, issued to CareNet and/or MCFD, along with Journal Vouchers related to transfers between ITSD/CITS and MCFD.
- Copies of contracts and supporting documentation from CLTSC.
- Copies of contracts and supporting documentation from the Interim Authority.

- CD of electronic documentation provided by the Interim Authority.

4.2 Interviews

We conducted interviews of the following individuals.

Elected Government Officials

- Premier Gordon Campbell;
- Gordon Hogg, former Minister of Children and Family Development;
- Shirley Bond, Minister of Advanced Education; and
- Linda Reid, Minister of State for Early Childhood Development

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Non-Elected Government Officials

- Sarf Ahmed, Senior Financial Officer, MCFD;
    - former seconded MCFD employee to the Interim Authority;
- Steve Blanchard, former Strategic Advisor, Electronic Service Delivery, MCFD;
- Martyn Brown, Chief of Staff, Office of the Premier;
- Johanna Bush, Regional Executive Director, Ministry of Skills, Training and Labour;
- Gordon Butterfield, former Executive Director of MCFD Systems Services Branch;
    - formerly responsible for MCFD relationship with CareNet;
- George Carson, Manager of Client Relations, CITS;
    - responsible for CITS relationship with CareNet;

- Joan Danderfer, Project Office Manager, Systems Services Branch, MCFD;
- Ken Dobell, Deputy Minister to the Premier and Cabinet Secretary;
- Les Foster, former Assistant Deputy Minister and Executive Financial Officer, Management Services Division, MCFD
    - Executive Financial Officer for MCFD;
- Susanna Francis, Client Business Analyst, MSER;
- James Gorman, Assistant Deputy Minister and Executive Financial Officer, MCFD;
- Paula Grant, current Director of Adult Community Living Services, MCFD;
    - performed initial draft of "Community Living Services Discussion Paper";
- Valerie Hamilton, former Ministerial Assistant to Gordon Hogg;
- Chris Haynes, former Deputy Minister of Children and Family Development;
- Kim Henderson, Assistant Deputy Minister, MCFD;
    - former seconded employee to IACLBC;
- Wayne Ironmonger, former Executive Director and Chief Information Officer, Electronic Service Delivery, MCFD;
    - formerly responsible for MCFD relationship with CareNet;
- Beth James, Assistant Deputy Minister, Corporate Planning, Office of the Premier;
- Theresa Kerin, former Assistant Deputy Minister and Chief Information Officer, MCFD;
    - formerly responsible for MCFD relationship with CareNet;

- Laura Lam, Senior Billing Co-ordinator, MSER;
    - Involved in journal voucher and electronic billings charging connection fees to MCFD;
- Elaine Murray, former Assistant Deputy Minister, Regional Operations, MCFD;
    - Co-Chair – CLTSC, Senior Government Officer, IACLBC; and
- Allan Pollock, Acting Manager, Systems Development and Planning, MCFD, former Acting Chief Information Officer and Director, Electronic Service Delivery, MCFD;
- Robin Syme, Assistant Deputy Minister, Community Living Services, MCFD

Non-Government Individuals

- Annette Bartsch, Director, Finance, WestPro Benefit Systems Inc.;
    - responsible for accounting function – CareNet;
- Nan Bennett, Executive Director, Health Benefits Trust;
- Brian Berglund, contract consultant to WestPro Solutions Inc.;
- Laney Bryenton, Executive Director, BCACL;
    - CLTSC member, Community Living Coalition Member, former CareNet director;
- Norma Catalan, Director of Finance, BCACL;
    - contract administrator – CLTSC;
- Cam Dore, Executive Director, Healthy Opportunities for Meaningful Experience Society ("H.O.M.E.S.");
    - founder and director of CareNet;

- David Driscoll, Co-Chair, CLTSC and former Chair, Interim Authority;
- Al Etmanski, Executive Director, PLAN;
    - former CareNet board member;
- Alanna Hendron, Executive Director, Developmental Disabilities Association;
    - former CLTSC member – resigned September 2002;
- Michel Hines, Chief Financial Officer, Hycroft Financial Partners;
- Peter Kerr, Manager, Finance and Technology, Burnaby Association for Community Inclusion;
    - Chief Executive Officer of CareNet starting in the fall of 2002;
- Howard Kettner, President, WestPro Benefit Systems Inc.;
- Everett Northup, FutureGround Management Services Ltd;
    - contract consultant to MCFD;
- Stan Remple, former Project Coordinator, CLTSC;
- Terry Robertson, member of CLTSC;
    - CLTSC member from Prince George;
- Gerry Sohey, former WestPro Solutions employee,
    - currently contractor to Interim Authority;
- William Stelmaschuk, President, WJ Stelmaschuk & Associates;
    - CareNet member agency
- Jack Styan, Director of External Relations, PLAN,
    - former Executive Director of Burnaby Association for Community Inclusion,

  - former director of CareNet;
- Jordan Thurston, Executive Director, Mainstream Association for Proactive Community Living;
  - Director of CareNet;
- Doug Walls, contract consultant to WestPro Solutions, CLTSC, and the Interim Authority;
- David Weicker, Interim Chief Financial Officer, Interim Authority and,
- Doug Woollard, contract consultant to the Interim Authority.

4.3 Computer Forensic Examination

In order to review the communications that took place between many of the individuals named above and others, we accessed existing and deleted e-mails using a variety of computer forensic methodologies. These methodologies are described in Appendix C attached.

We were also provided with electronic copies of e-mail obtained from the government's back-up tape system, but only for periods we deemed relevant to our investigation.

5.0 Detailed Findings

5.1 Contracts and Payments

In this section of the report we refer to NSPG and Social Policy Group as the legal contractors, with the understanding that Doug Walls provided the actual consulting services.

5.1.1 Government Financial Policy

We reviewed the General Management Operating Policy of the Province to determine the relevant sections for our investigation. Although the wording of the policy has changed slightly over the period of our investigation, the substance of the policy remained the same. The excerpts below are from the General Management Operating Policy dated October 2000.

Section 6.3.2 of the General Management Operating Policy provides the guidelines for hiring contractors.

> **"6.3.2 Highlights and Summary of Significant Policies**
>
> **Policy**
>
> 1. For contracts with a total estimated cost over $25,000, ministries must seek competitive written bids or proposals from potential contractors before awarding a contract.
>
> 2. Policy 1 may be set aside, and ministries may negotiate and award a contract without competitive process (i.e. direct award), provided that at least one of the following conditions applies:
>
>   - an emergency exists and any delay associated with a competitive process would put life, limb or property in jeopardy or otherwise be contrary to the public interest;

- where the use of a competitive process would interfere with the ministry's ability to maintain security or to protect human, animal or plant life or health;
- the services to be purchased are of a confidential or privileged nature and disclosure of these matters through an open bidding process could reasonably be expected to compromise government confidentiality, cause economic disruption or otherwise be contrary to the public interest; and
- the ministry is able to demonstrate that only one contractor is qualified to perform the services. The ministry must consult with the Purchasing Commission for contracts with an estimated value of $100,000 or more – see 6.3.5.5 for details.

Ministries must record and retain the reasons for direct awarding a contract.

3. The Government of British Columbia is a party to the Agreement on Internal Trade. Ministries must abide by the terms and conditions of the Agreement when undertaking contracts with an estimated value of $100,000 or more- see 6.3.3 for the key points.
4. Ministries must neither accept unsolicited proposals other than information technology-related proposals only as specifically described in 8.4.3.2, nor seek proposals by any method other than those as described in General Management Operating Policy.

Guidelines

1. For contracts that do not exceed $25,000, ministries should seek competitive bids or proposals from potential contractors. The bids or proposals may be verbal or in writing.
2. For contracts that do not exceed $25,000, where a number of qualified contractors exist and the cost and quality of service provided is comparable, ministries may consider a rotational system for awarding contracts.
3. Ministries should adopt lower limits than those authorized in this section if such lower limits meet their operational requirements.

4. Awards that are directed repeatedly to the same contractor or group of contractors could give rise to allegations of favouritism and should be avoided.

5. Ministries may establish standing agreements - see 6.5.4 - when:

   - they anticipate repeat assignments;
   - the assignments are similar; and
   - undertaking a separate competitive process for each assignment would not be cost-effective.

Section 6.3.5.2 sets out the requirement to post a Notice of Intent for contracts exceeding $50,000.

6.3.5.2 Notice of Intent

General

"A Notice of Intent is the method by which a ministry declares that it intends to negotiate a contract directly with a specified contractor, and without a competitive process as required by 6.3.2, Policy 1.

A Notice of Intent is not required:

- if an emergency exists or if the contract is of a confidential nature, both as described in 6.3.2, Policy 2; or,
- if the contract is expected to be $50,000 or less.

Policy

1. A ministry must issue a Notice of Intent if it intends to direct award a contract to a contractor in the belief that no other contractor is qualified, and the contract is expected to exceed $50,000.

2. A Notice of Intent must include a description of the project, the amount of the proposed contract and the proposed contractor's name.

3. A Notice of Intent must invite prospective bidders to indicate their interest and ability to perform the assignment.
4. If a Notice of Intent is to be issued, a ministry must distribute the Notice in the same manner that would be used for a similar competitive process, including the method of distribution and time available to prospective bidders for response.

All responses must be carefully assessed. Valid objections must result in a competitive process."

5.1.2 Ministry of Human Resources and Ministry of Social Development and Economic Security

Doug Walls, through NSPG, contracted with MHR in December 1998 and June 1999 for two contracts with a total value of $115,000. The sections that follow describe the awarding of the contracts and the amounts paid.

WestPro Web Technologies Inc. was also awarded a contract for $15,000 from MSDES in March 2001.

December 1998 Contract

The first contract between MHR and NSPG, signed December 1, 1998, was valued at $45,000. The contract was for the period December 1, 1998 to March 31, 1999.

Contract Award

The documentation provided to us indicates NSPG was directly awarded this contract. Chris Haynes, Assistant Deputy Minister at the time, authorized the spending for this contract. We confirmed this fact with Mr. Haynes.

Government financial policy (6.3.2), states that for "contracts that exceed $25,000, ministries should seek competitive bids or proposals from potential contractors before awarding a contract." We did not find any evidence in the documentation provided to us that competitive bids were received from potential contractors. We also did not find any justification that Mr. Walls was the only contractor who could provide these services.

Mr. Haynes indicated to us he considered, [Section 22]

but did not consider them as suitable as Doug Walls. Mr. Haynes does not recall if he documented the consideration of the contractors other than Mr. Walls. The contract file provided to us did not contain written justification for the direct awarding of the contract to Mr. Walls nor did it document the consideration of other contractors.

Contract Payment

NSPG issued four invoices totalling $25,846.67 for this contract. The invoiced amount was $19,153.33 less than the $45,000 maximum value of the contract. We noted from our review of the contract file that invoices 1198 ($5,968.21) and 1199 ($4,820.71) were not on file.

The payment for the available two invoices was approved by Chris Haynes.

Mr. Haynes told us the contract deliverables were provided and the work was "well done."

Conclusion

The awarding and administration of this contract was not in accordance with government financial policy for the following reasons:

- Mr. Haynes did not seek competitive bids for the contract when its value exceeded $25,000; and
- Although Mr. Haynes indicated he considered other contractors for the work, documentation was not maintained to support the justification for hiring NSPG for the contract.

June 1999 Contract

Doug Walls, through NSPG, contracted with MHR in June 1999. The total value of this contract was $70,000. The contract covered the period from March 1, 1999 to March 31, 2000 and the rate was $850 per day. The following table summarizes the history of this contract.

Date	Description	Amount	Cumulative Value
June 1, 1999	Original Contract	$25,000	$25,000
July 12, 1999	Amendment #1	$20,000	$45,000
November 15, 1999	Amendment #2	$25,000	$70,000

The deliverables, as set out on Schedule A of the contract included: providing research and consulting with respect to disability benefit level 2 clients and employment issues, review and update of the "*Spigelman Report*", and representing a community interest perspective on "*Employment Opportunities for Persons with Disabilities*", and "*provide advice, assistance and other reports as directed from time-to time by the ADM, Field Services and Program Operations, Ministry of Human Resources.*" Chris Haynes, Assistant Deputy Minister at the time, told us that in his view, the work was performed in a very satisfactory manner.

We note the contract was signed retrospectively on June 1, 1999 for work that began on March 1, 1999. In the course of our interview, Mr. Haynes indicated to us that back-dating a contract was not an unusual practice in government. Notwithstanding Mr. Haynes' view, it is not an acceptable practice and is not in accordance with government policy.

Contract Award

The documentation provided to us by MHR indicates the contract with NSPG was awarded directly. Chris Haynes authorized the spending for this contract. A fax cover sheet dated June 4, 1999 from Leanne Nicholson, Divisional Administrator, MHR, states the following.

> "Hi Doug, attached is a draft contract, could you please take a look at Schedule A and let me know if you have completed some of the projects I have questioned, also is there anything you would like added? Barb Walman has requested me to limit the contract to $25,000 (fees and expenses), as Treasury Board does not approve direct offers over $25,000. This is something that you can address with Chris at a later date if the need arises and we may be able to amend or do a new contract. Thanks."

Government financial policy (6.3.2), states that for "contracts that exceed $25,000, ministries should seek competitive bids or proposals from potential contractors before awarding a contract." We did not find any evidence in the documentation provided to us that competitive bids were received from potential contractors. We also did not find any justification that Mr. Walls was the only contractor who could provide these services.

Mr. Haynes indicated he believed he contemplated other contractors for this project, but considered Mr. Walls to be the best choice. Although the justification for a direct award may have existed, Mr. Haynes confirmed that no documentation was placed in the contract file.

Contract Value

We asked Mr. Walls how the remuneration for this contract was derived. He indicated that a rate of $800 to $900 per day was suggested by Leanne Nicholson, Divisional Administrator, Program Operations Division, MHR. The remuneration set for the contract was $850 per day.

Contract Overpayment

As set out on Schedule 1, NSPG was paid $71,418.50 for this contract with MHR. This is $1,418.50 in excess of the contract amount.

Conclusion

This contract was not awarded and administered in accordance with government financial policy for the following reasons:

- the contract was signed retrospectively on June 1, 1999 for work that commenced on March 1, 1999;
- although Mr. Haynes considered other prospective contractors for the work, no documentation was maintained to document the consideration of alternate contractors; and
- payments to NSPG exceeded the maximum contract amount by $1,418.50.

WestPro Web Technologies Inc. Contract

WestPro Web Technologies Inc. was awarded a $15,000 contract from MSDES in March 2001. Schedule A of the contract indicated that WestPro Web Technologies Inc. was to provide consulting services as a part of MSDES' Electronic Services Initiative. The project sponsor on the contract is identified as Chris Haynes.

The authorized representative on the contract from MSDES was Barbara Walman.

Mr. Haynes told us that at the time of awarding this contract, he was responsible for the Health Benefits Division of MSDES. He provided us the following reasons for this contract.

> "The Ministry was looking for ways in which these functions could be streamlined, and whether they could be done more efficiently by others who had more expertise. Doug Walls was aware of the problems with delay in processing disability benefits and other claims from his previous work. Mr. Walls stated that he was aware of other

> technologies being used in other delivery systems, such as health, to speed up claim approvals and administration. As well, Howard Kettner had expertise in methods for delivering streamlined claim approval, administration, processing, maintenance and reporting. Westpro had done work for Pacific Blue Cross, who was a much bigger provider of medical benefits than the Ministry."

Mr. Haynes does not recall considering other contractors and did not authorize WestPro Web Technologies Inc. to begin work on the contract because other matters in the Ministry were of a higher priority; accordingly, no payments were made to WestPro Web Technologies Inc.

5.1.3 Community Living Transition Steering Committee

Doug Walls received two contracts totalling $51,616 from CLTSC. The contracts were awarded without competition.

The first contract dated June 27, 2002 between NSPG and CLTSC was in the amount of $43,226 ($37,800 of fees, $2,780 of expenses, and $2,646 for GST on fees). The contract period was from June 1, 2002 to September 30, 2002.

Contract Deliverables

The contract deliverables are set out on Schedule A to the contract as follows:

> "Part 1
>
> The role of the Contractor is to provide support and advice on the operational issues related to the transformation processes of the community living program, and the specific needs children's programs, to a provincial community living authority."
>
> "Part 2
>
> The contractor will provide the following services:
>
> 1. Assume interim responsibility for the month of July as Project Director to assist the community Co-Chair of the Community Living

> Transition Steering Committee (CLTSC) as defined in the attached job description;
>
> 2. Provide political/government liaison on issues of concern at that level, such as legislation plans and activities;
> 3. Locating community living oriented consultants to work on all planning committees;
> 4. Conduct issue-specific research on matters related to governance and accountability strategies;
> 5. Assist in the completion of PC work-plans and "road-maps";
> 6. Provide programming advice to the Child and Family PC;
> 7. Assist in the writing of interim and final project report."

The contract was amended on June 27, 2002 to include a provision for the writing of the CLTSC report. We note the original contract and amendment were signed on the same day. The amendment was as follows.

> "Schedules A and B is being amended to include an additional 10 days for the current contract period, to participate in writing the final report (Schedule A). Schedule B is amended to include an additional $8,390.00 ($7,000.00 for fees, $900.00 for expenses, and $490.00 for 7% GST on contract fees)."

Trust Disbursements and Guidelines

The funding for CLTSC was in the form of a $450,000 grant from MCFD, which was to be administered by BCACL in trust for MCFD.

The letter of grant provided by Elaine Murray, Assistant Deputy Minister, MCFD and Co-Chair of CLTSC, did not specify the awarding of contracts were to follow the Financial Administration Act; however, the Ministry's expectation with respect to the disbursement of funds was as follows.

> "It is expected that issues of accountability, due diligence, and matters that may result in a conflict of interest will be adequately addressed by the CLTSC when recommending contracts for disbursement."

Ms. Murray also provided an excerpt from the Government Management Operating Policy that sets out the characteristics of the Independent Contractor Relationship Policy to CLTSC. She indicated to us "the purpose of the grant was to spend the funds in a fiscally responsible manner in order to meet the deadline imposed by the Minister."

We also note that five contractors were awarded contracts with a value greater than $25,000 during the existence of CLTSC. Except for one contract, all CLTSC contracts were signed retrospectively.

Contract Deliverables

We made inquiries of individuals involved with CLTSC, including government appointees and government officials, to determine whether or not Mr. Walls delivered all of the services stated in the contract. We found that on a consistent basis, Mr. Walls was described to us as a hard working individual who provided the deliverables set out in the contract.

Contract Payments

As set out on Schedule 2, NSPG billed CLTSC $69,525 in fees and expenses and was paid $69,525 for the invoices provided.

The following table compares the amounts billed and collected by NSPG to the amounts set out in the CLTSC contract and amendment.

	Contract	Amendment	Total Contract	Invoiced Amount	Over (Under) Contract
Fees	$37,800.00	$7,000.00	$44,800.00	$63,865.00	$19,065.00
Expenses	2,780.00	900.00	3,680.00	1,190.09	(2,489.91)
GST on Fees	2,646.00	490.00	3,136.00	4,470.55	1,334.55
Total	$43,226.00	$8,390.00	$51,616.00	$69,525.64	$17,909.64

We made the following observations regarding the contracts and invoices between NSPG and CLTSC:

- NSPG billed $19,065 of professional fees in excess of its contract with CLTSC; and
- NSPG billed for services in May 2002, although the term of its contract was for the period from June 1 to September 30, 2002.

In our interviews with David Driscoll, Laney Bryenton and Doug Walls we inquired if they were aware that NSPG had billed CLTSC for amounts in excess of the contract amount. They were not aware that an over-billing had occurred.

We interviewed Mr. Stan Remple, Project Coordinator for CLTSC, in order to determine whether he was aware that NSPG was paid amounts in excess of its contract. Mr. Remple indicated that he never reviewed the contract, nor the payments that were made to NSPG.

Norma Catalan, Director of Finance, BCACL, indicated to us that when she became aware that Mr. Walls had reached his contract maximum, she paid him only up to the maximum contract amount. Certain NSPG invoices for September and October 2002 were not paid at this time.

We note that on December 11, 2002, NSPG was paid for the balance of the September 2002 invoices, and for an October 2002 invoice. Ms. Catalan indicated to us that she was informed by Laney Bryenton that an amended contract was being drawn up for NSPG. She did not receive an amended contract for the extra payments made to NSPG. The invoices were approved by David Driscoll and Laney Bryenton.

In a memorandum to David Driscoll, Elaine Murray, Laney Bryenton, and Stan Remple, dated July 3, 2002, Mr. Walls noted that invoices received from Brian Salisbury, Stan Remple, and Doug Walls included billings for work performed in May 2002, whereas their contracts began on June 1, 2002. In this memorandum, Mr. Walls states the following.

> "Stan and I discussed this and would recommend that we not go through the exercise of amending each of the contracts. Instead, as this was separately considered and approved by the Project Steering

> Committee and there is only a small amount of time involved, we recommend that we simply approve these charges with the invoices as submitted."

We note from our review that the invoices provided by NSPG were approved by Laney Bryenton and David Driscoll.

We further note that all payments from CLTSC to NSPG required two signatures from any two of the following parties:

- Norma Catalan, Director of Finance, BCACL;
- Laney Bryenton, Executive Director, BCACL; and
- Sue Scott, Senior Program Officer. BCACL.

Conclusion

We found CLTSC followed poor contracting practices for the following reasons:

- contracts were awarded to NSPG without competition;
- contracts for CLTSC contractors were signed retrospectively; and
- payments to NSPG were made in excess of the contracted amount and for work performed outside the contract period.

5.1.4 Interim Authority for Community Living British Columbia

Contracting and Financial Policy

The Interim Authority is required to operate under the Financial Administration Act. These instructions were provided by the Minister to the Chair of the Interim Authority in the Letter of Instruction dated March 31, 2003. We note these instructions were provided four and a half months after the Interim Authority was established.

We further note that neither the Community Services Interim Authorities Act nor the Memorandum of Understanding between MCFD and the

Interim Authority specify that the Interim Authority should operate under the Financial Administration Act.

From the documents provided to us by the Interim Authority, we noted that the Interim Authority developed its own financial policy, although it was subject to the Financial Administration Act. We found the Interim Authority developed contracting policy that was not in accordance with the Financial Administration Act; it increased the threshold for the allowable limit for the direct awarding of contracts from $25,000 to $50,000. The following is an excerpt from Section 5.1 of the Interim Authority's financial policy.

> "5.1 All Interim Authority service contracts where the total amount paid under the contract is expected to exceed the sum of $50,000 will have a fair and open tendering process associated with them. Spending Authorities shall seek competitive written bids or proposals from potential contractors before awarding a contract. A fair and open tendering process should include the issuing of a Request for Proposals (RFP), or Invitation to Quote (ITQ) with resulting contracts awarded on the basis of the responses received to such requests."

Total Contract Value

Mr. Walls, through the Social Policy Group, signed a contract and amendments with the Interim Authority totalling $211,200. The following table summarizes the history of the Social Policy Group contract.

Date	Description	Amount	Cumulative Value
Unknown	Initial Contract – November 15, 2002 – March 31, 2003	$ 68,200	$ 68,200
April 30, 2003	Contract Amendment – April 1, 2003 to August 31, 2003	$ 59,950	$ 128,150
August 27, 2003	Contract Amendment – September 1, 2003 to March 31, 2004	$ 83,050	$ 211,200

Original Contract

Mr Walls' original contract with the Interim Authority had a value of \$68,200 (\$59,950 of professional fees and \$8,350 of expenses). We note the Interim Authority was not formed until November 13, 2002. This contract covered work performed before the inception of the Interim Authority as well as the period from November 15, 2002 to March 31, 2003. Therefore, Mr. Walls was paid for services performed before the Interim Authority was established.

Contract Terms and Conditions

The terms of the contract with the Interim Authority were set out in Part II of the contract. The following is an excerpt from Schedule A of the contract.

"Part II: General Purpose

Part II [A]

- to provide consulting and other management services for the period October 1, 2002 through November 12, 2002 in relation to the negotiation of terms, preparation of documentation and establishment of the Interim Authority of Community Living British Columbia

Part II [B]

- to provide consulting and other management services to Interim Authority for Community Living British Columbia
- to serve as Senior Consultant, Planning and Development reporting to the Board of Directors of the Interim Authority
- to serve in the capacity as CEO for purposes of communication, meetings, discussions, joint planning and decision making with respect to the undertakings of the Interim Authority and the Ministry of Children and Family Development, other CFDS Regional Planning Committees or Interim Authorities, Aboriginal Planning Committees, the Joint

Aboriginal Management Committee, Council of Chairs and/or other government bodies or ministries

- to provide additional consulting and management services as from time-to-time directed by the Chair of the Board

Part III: Deliverables

Part III [A]

- to provide support to the leadership of the Community Living Transition Steering Committee and liaison to government to successfully negotiate the terms and conditions governing the relationship between the Interim Authority for Community Living British Columbia
- to provide all necessary services to produce the documentation required to confirm the relationship between the Community Living Steering Committee and the Ministry of Children and Family Development

Part III [B]

- insures that the Interim Authority is represented in all matters related to planning and development, communication, legislation, financial/budget and corporate services in a manner consistent with the direction provided by the Board of Directors
- provides briefing notes, Board summaries, and other written reports in relation to assigned tasks
- insures completion of the Interim Authority work plan with respect to planning and development, communication, legislation, financial/budget and corporate services
- overall completion date of August 31, 2003

Part IV Outcomes

Part IV [A]

- the leadership of the Community Living Steering Committee will have been supported and the liaison capacity provided to government to successfully negotiate the terms and conditions governing the relationship between the Interim Authority for Community Living British Columbia
- the Community Living Transition Steering Committee will have been established on or before the 30th day of November, 2002

Part IV [B]

- the Interim Authority will provide the new Authority with the capacity to meet the readiness criteria on or before June 30, 2003
- the Interim Authority will provide the new Authority with the capacity to assume responsibility for full authority, management and responsibility for service delivery from the Ministry on or before August 31, 2003."

Awarding of the Contract

The contract between the Interim Authority and Social Policy Group was approved by the Executive Committee of the Interim Authority on November 18, 2002. At that time, the Executive Committee consisted of David Driscoll, Laney Bryenton, and Al Etmanski. The minutes of the Executive Committee were approved by the Board of the Interim Authority on February 3, 2003. The contract was signed by David Driscoll on behalf of the Interim Authority and by Doug Walls on behalf of Social Policy Group. The contract was awarded without competition. We also noted that Social Policy Group was incorporated on November 14, 2002.

The copy of the contract provided to us was not dated. We were provided correspondence between Sarf Ahmed, former Interim Chief

Financial Officer of the Interim Authority, and Social Policy Group, that indicated the contract was provided to Mr. Walls on February 24, 2003.

Included in the documentation provided to us was form CF2511 entitled "*Request for Approval – Contract/Contribution/Grant*". We understand this form is used by MCFD for contract administration. We made the following observations regarding this form:

- it indicated that no Notice of Intent was posted for the contract;
- it did not provide documentation that alternative contractors were considered for the contract; and
- it did not provide documentation to justify a direct award of the contract.

Mr. Ahmed indicated to us that the form was not completed because the Board of the Interim Authority had approved the contract before the documentation was completed.

Conclusion

The awarding of the contract was not in accordance with government fiscal policy because:

- it was in excess of $25,000 and no consideration was given to identifying at least three alternate contractors; and
- a Notice of Intent was not posted by the Interim Authority which would have provided notice that a contract was to be directly awarded, along with the reasons for the direct awarding of the contract.

Contracted Payments

Schedule B of the contract between Social Policy Group and the Interim Authority sets out a maximum of $550 per day. The contract also specified the maximum weekly billing was $2,750 or five billable days per week.

First Amendment

The contract was amended retrospectively on April 30, 2003 to extend to August 31, 2003. The contract extension was effective March 31, 2003. The contract amendment does not state the value to which the contract was amended. A "Notice of Intent" was published for Social Policy Group's contract, as well as for contracts with Woollard Management Services and Muran Management Ltd..

We noted an inconsistency between the Notice of Intent and the amended contract. The Notice of Intent indicates the contract extension period is from May 1, 2003 to September 30, 2003. The contract executed between the Interim Authority and Social Policy Group extends the contract from April 1, 2003 to August 31, 2003.

We further note the contract extension did not specify the amount of the maximum value of the contract. Under the terms of the contract extension, the number of billable days between April 1, 2003 and August 31, 2003 is 109 days. Therefore, the value of the contract extension would be $59,950. The Notice of Intent indicates the estimated amount of contracted services would be $72,000.

This contract extension was approved by the Executive Committee on April 7, 2003 and the Notice of Intent was published on April 17, 2003.

The Notice of Intent specified the reason for direct awarding of the contract was as follows.

> "The contractors are familiar with the Community Services Interim Authorities Act, the Memorandum of Understanding between the Ministry of Children and Family Development and the Interim Authority for Community Living British Columbia and with the Co-Management

> model of service delivery currently underway within the Ministry of Children and Family Development under the terms of the MOU."

Conclusion

We found the Interim Authority followed poor contracting practices in respect of the first amendment of NSPG's contract for the following reasons:

- the contract was signed retrospectively;
- there were inconsistencies between the Notice of Intent and the contract with NSPG; and
- the contract amendment did not specify the maximum value of the contract.

Second Amendment

Social Policy Group's contract was amended on August 27, 2003 to a maximum contract amount of $143,000 for the period from April 1, 2003 to March 31, 2004. The value of the contract amendment was $83,050 ($143,000 less $59,950). The Notice of Intent, published August 29, 2003, indicates that objections to the direct awarding of the contract should be submitted by September 12, 2003, but the contract amendment was signed on August 27, 2003. Therefore the execution of the contract preceded the publication of the Notice of Intent and the closing time for the Interim Authority to receive objections to the direct awarding of the contract to Social Policy Group.

This contract amendment was signed by Cameron Walls in his capacity as President of Social Policy Group. We understand Cameron Walls is the son of Doug Walls. The contract was approved by Lynn Rolko, Corporate Secretary of the Interim Authority.

Conclusion

We found the Interim Authority followed poor contracting practices in respect of the second amendment of NSPG's contract for the following reason:

- the contract with NSPG was signed before the Notice of Intent was published by the Interim Authority.

Contracts and Payments to Social Policy Group SPG Inc.

Social Policy Group was paid a total of $213,448.06 for the period from November 2002 to January 2004. This amount includes payment for $201,080.00 of professional fees, and $12,368.06 of expenses. The amounts are set out on Schedule 3.

Payment Approval

The invoices provided by Social Policy Group were approved by one of the following members of the Board of the Interim Authority:

- David Driscoll, Chair;
- Susan Whittaker, Deputy Chair; or
- Lynn Rolko, Corporate Secretary.

The payments of invoices were signed off by either Frank van Zandwijk, Director of Policy and Planning or Glen Foulger, Budget and Accounting Manager of the Interim Authority.

Contract Overpayment

On Schedule 3, we calculated the maximum number of days Social Policy Group was permitted to bill under the terms of its contract. We found Social Policy Group billed 48.2 days in excess of its contract with the Interim Authority. The value of this over-billing is $26,510 ($550 times 48.2 days).

We discussed the contracting practices of the Interim Authority with the current Interim Chief Financial Officer, David Weicker, who replaced Sarf Ahmed as the Interim Chief Financial Officer in September 2003. Mr. Weicker performed a review of the Interim Authority contracts in December 2003. He noted the billing practices of Social Policy Group were not consistent with the amount of work Mr. Walls was performing. In consultation with the Board Chair, Mr. Weicker prepared a contract amendment for Social Policy Group in January 2004. Mr. Walls resigned from the Interim Authority before the contract amendment was executed.

Contract Deliverables

In our interview with David Driscoll, we asked him to comment on whether Mr. Walls fulfilled the deliverables set out in the contract. Mr. Driscoll indicated to us that, "on balance Doug Walls did good, attentive work. He brought energy and commitment to his work."

5.2 Appointments

5.2.1 Community Living Transition Steering Committee

We interviewed Mr. David Driscoll, the Co-Chair of CLTSC, and Ms. Laney Bryenton, Executive Director of BCACL and CLTSC member, to determine how the contracts to NSPG were awarded. Ms. Bryenton also served as the Chair of the Governance Committee of CLTSC.

Both Mr. Driscoll and Ms. Bryenton indicated that Mr. Walls (NSPG) was hired as a contractor by the CLTSC to perform the following two functions:

- to perform the role of "Project Coordinator" while Stan Remple was absent from CLTSC during July 2002; and
- to provide support to various CLTSC sub-committees.

Mr. Walls' appointment as the Project Coordinator was approved by CLTSC in its meetings on June 26 and 27, 2002. The minutes of the meetings indicated that committee members expressed concern that Mr. Walls should not fulfill this role as he was involved in the development of CLTSC and he was also involved in a number of work groups as well. We note however, that only two votes of dissent were recorded by the committee with regard to the approval of NSPG's contract.

According to Mr. Driscoll, Mr. Walls/NSPG was selected as a contractor with CLTSC because he had long-standing involvement in the community living sector. Mr. Walls was also a past President of BCACL. Mr. Driscoll indicated he demonstrated a good knowledge of the community living sector and was characterized as a "high utility" worker. This contract was awarded without competition.

5.2.2 Interim Authority for Community Living British Columbia

Mr. Walls was not a member of the Board of the Interim Authority, but was hired as a contractor by the Executive Committee of the Interim Authority. The Executive Committee was comprised of David Driscoll (Chair), Laney Bryenton, and Al Etmanski. Mr. Walls' appointment was documented in the Executive Committee minutes dated November 18, 2002. The actual contract was awarded to Social Policy Group without competition.

At that time, Mr. Walls was appointed along with Doug Woollard as a 'lead consultant' to the Interim Authority, with the title, "Senior Consultant, Planning and Development."

Bill 65, the Community Services Interim Authorities Act, states the following.

> "(1) A board may appoint one or more members of the board as officers of the board.
>
> (2) An interim authority may engage staff only in the following ways:
>
> (a) engage, as independent contractors, specialists and consultants;
>
> (b) with the prior approval of the minister, engage a person who

> (i) is an employee, as defined in the Public Service Act, and
>
> (ii) is seconded to the interim authority from the Province."

In his letter of instruction to David Driscoll, dated March 31, 2003, the Minister stated, that "until such time as Community Living British Columbia is established, the Interim Authority is under the auspices of the Financial Administration Act and must adhere to all necessary policies and procedures under that Act."

We note this instruction was received by Mr. Driscoll after Mr. Walls was already engaged as a contractor with the Interim Authority.

Doug Walls' Title at the Interim Authority

Mr. Walls' title at the Interim Authority was "Senior Consultant, Planning and Development." We understand that on January 23, 2003, Mr. Driscoll wrote Mr. Chris Haynes, Deputy Minister, a letter that explains the designation of Mr. Walls as CEO of the Interim Authority. This letter was not copied to Minister Hogg. Below is an excerpt from that letter.

> "Dear Mr. Haynes:
>
> I am writing to advise you of a decision taken by the Executive Committee of the Interim Authority at their meeting on January 20, 2003.
>
> Effective immediately, Doug Walls will be acting as CEO. His official title within the organization will remain Senior Consultant, Planning and Development, but for purposes of the Interim Authority's bylaws and for purposes of all Ministry-related activity and involvement, he has been designated as the CEO.
>
> I would ask that your office, and where necessary any other part of the Ministry's operations, include him in any correspondence, meetings, appointments, discussions and any other aspect of business relating to transition activities where the involvement of the CEO of an Interim Authority, Regional Planning Committee or Aboriginal Planning Committees is required or desirable."

We understand from Mr. Driscoll that the designation of Mr. Walls as CEO was made because at the time, the Interim Authority was not receiving certain information from MCFD because it had not appointed an Interim CEO. Mr. Driscoll indicated to us this designation was made in order for the Interim Authority to receive such information. We note that the contract between Social Policy Group and the Interim Authority call for Mr. Walls "*to serve in the capacity of CEO for purposes of communication, meetings, discussions, joint planning, and decision making in respect to the undertakings of the Interim Authority and the Ministry of Children and Family Development, other CFDS Regional Planning Committees or Interim Authorities, Aboriginal Planning Committees, the Joint Aboriginal Management Committee, Council of Chairs and/or other government bodies or ministries.*"

We understand that Mr. Walls signed the Interim Authority's 2002/2003 Financial Statements as "Chief Executive Officer", which may not have been appropriate given that he was serving only "in the capacity of CEO".

Conclusion

We found no evidence of undue outside influence in the contracting of, or activities of Mr. Walls with respect to CLTSC or the Interim Authority. We also found that the designation of Mr. Walls as acting CEO was for purposes of convenience only.

5.3 Relationships

Our terms of reference required that we review the relationships between Mr. Walls and various government officials to determine the nature of the relationship and whether Mr. Walls exerted influence on key decisions and appointments made by government officials. The government officials were to include but not be limited to:

- Minister of Children and Family Development, the Honourable Gordon Hogg;

- Minister of State for Early Childhood Development, the Honourable Linda Reid;
- Deputy Minister of Children and Family Development, Mr. Chris Haynes;
- The Board of the Interim Authority for Community Living BC; and
- The Executive Committee of the Interim Authority for Community Living BC

As a result of reviewing a large volume of e-mail communication, much of which was generated or received by Mr. Walls, we expanded the list of government officials to include others who were either participants in, or who were named in the e-mail communications. We have separated the expanded list into elected and non-elected government officials, and government appointees as follows.

Elected Government Officials

- Gordon Campbell, Premier;
- Gordon Hogg, Minister of Children and Family Development;
- Linda Reid, Minister of State for Early Childhood Development;
- Shirley Bond, Minister of Advanced Education;

Non-elected Government Officials

- Chris Haynes, Deputy Minister of Children and Family Development;
- Ken Dobell, Deputy Minister to the Premier and Cabinet Secretary;
- Martyn Brown, Chief of Staff, Office of the Premier;

Government Appointees

- The Community Living Transition Steering Committee;
- The Board of the Interim Authority for Community Living BC; and
- The Executive Committee of the Interim Authority for Community Living BC.

Our specific findings with respect to each of these groups resulted from interviews of these and other individuals and from review and analysis of documentation consisting mainly of e-mail communications. Doug Walls' relationships with government appointees are discussed previously in the Sections of this report dealing with the Interim Authority and CLTSC.

5.3.1 Relationships with Elected Government Officials

Premier Gordon Campbell

We reviewed a series of e-mails generated by Doug Walls that attempt to influence the appointment of Chris Haynes as Deputy Minister and make reference to the Premier.

The first e-mail, sent Friday, May 18, 2001 from Mr. Walls to Chris Haynes, contains the sentences, "I haven't talked to Gord since Wednesday night but will connect with him on the weekend" and "Gordon has called all the MLA's to Victoria for Tuesday morning". The full text of the e-mail is set out in Appendix D.3.

The second e-mail, sent Thursday, May 24, 2001 from Mr. Walls to Martyn Brown, contains the sentence, "I talked with Gord about this and he said we didn't have to do anything – it was taken care of – but Chris is not being interviewed". The full text of the e-mail and the response from Martyn Brown is set out in Appendix D.5.

On Saturday, June 2, 2001, Mr. Walls sent an e-mail to Chris Haynes which contained the following: "Stay calm . . . deep breaths . . . I chased Gord and Martyn down last night. Gord is likely a bit frantic as Lara was setting up the calls for Cabinet posts for today…". The full text of the e-mail is set out in Appendix D.8.

The tone and content of the foregoing e-mails suggest that Mr. Walls believed he had a close relationship with Gordon Campbell and that he thought he could influence the Premier with respect to the appointment of a Deputy Minister. We found that, notwithstanding the relationship between Mr. Walls and Premier Campbell, the nature of which we will explain further, the Premier was not influenced by Mr. Walls and in fact admonished him for his attempt to interfere in the appointment process.

We interviewed Premier Campbell and Mr. Walls regarding their relationship and found them to be in general agreement as follows:

- Prior to the May 16, 2001 election, they saw each other periodically at family events and Gordon Campbell was a guest at Doug Walls' house several times. As far back as 1993, they discussed the building of the Liberal Party in the Prince George area;

- Doug Walls was the President of the Liberal's Omineca Constituency Association and accordingly, had significant contact with other BC Liberal groups and candidates, including Gordon Campbell, in the 1996 election;

- Gordon Campbell leased a Mercury Sable from Fred Walls and Son Ltd. from 1995 to 1998. Mr. Walls believes the lease was financed through Ford Credit and the vehicle price was likely dealer's invoice plus $200, which he described as not unusual; and

- Mr. Walls was asked to consider running for office in the 1996 election but he declined as he was not in a position to do so as a result of the financial difficulties at Fred Walls and Son Ltd. dealership.

As a result of our interviews, we characterize the relationship between the Premier and Mr. Walls as somewhat personal because of family connections (Sharon Walls, the wife of Doug Walls is a cousin of Nancy Campbell, the wife of the Premier), but primarily political in nature because of Doug Walls' involvement in politics at both the local and provincial levels.

We discussed the Thursday, May 24, 2001 e-mail from Mr. Walls to Martyn Brown, referred to above, with Mr. Walls, Premier Campbell, and Martyn Brown. Mr. Walls recalls that he received an e-mail response from Gordon Campbell that he read on Saturday morning May 26, 2001. He assumed that Martyn Brown had forwarded the May 24 e-mail to Gordon Campbell. He described the Premier's response as "brutal", "admonishing", and "personally very embarrassing".

Premier Campbell and Martyn Brown do not recall this specific e-mail. Premier Campbell "thought he remembered a phone call, but it could have been e-mail" during which he became angry with Mr. Walls for trying to influence the Deputy Minister selection process. Mr. Brown does not recall forwarding Mr. Walls' May 24, 2001 e-mail to the Premier, but considered it "inappropriate" and added he was "miffed" by it. He recalls talking to Ken Dobell about it and thinks he probably spoke to Premier Campbell about it as well.

There appears to be some disagreement between the parties as to how the Premier communicated his displeasure with Mr. Walls; however, Mr. Walls appears to have received and acknowledged the message intended for him from the Premier.

Premier Campbell indicated to us that although he was aware of the bankruptcy of Fred Walls and Son Ltd., he was not aware of Mr. Walls [Section 22]

Mr. Gordon Hogg

We interviewed Gordon Hogg and learned that he first met Doug Walls at a meeting of School Trustees in Prince George, which Mr. Hogg attended as an education critic, in 1999 or early 2000.

After the 2001 election, Mr. Hogg met Mr. Walls on as many as twelve different occasions over a two year period. Apparently there were other people at each of these meetings, including Ed Masters, Mr. Hogg's Executive Assistant. Valerie Hamilton, Ministerial Assistant to Gordon Hogg, confirmed that a meeting took place in late 2001 attended by Gordon Hogg, Laney Bryenton, Al Etmanski, Doug Walls, and herself at which "Doug Walls did not appear to know Gordon Hogg". She was not aware of any private meetings between Gordon Hogg and Doug Walls; however, we are aware of at least two telephone calls between the two (from our review of e-mail correspondence).

We reviewed a number of e-mails to or from Gordon Hogg directly, or to or from Chris Haynes, that relate to communications between Mr. Walls and Gordon Hogg. In our view, all of these communications reflect the efforts of Mr. Walls to lobby strenuously for the community living initiative, which was supported by Gordon Hogg. An example is an e-mail dated Friday, November 30, 2001 from Mr. Walls to Messrs. Hogg and Haynes which sets the scene for a meeting with the Community Living Coalition in WestPro's boardroom. The attendees were to be, in addition to Messrs. Hogg and Haynes, Al Etmanski, Doug Walls, Jordon Thurston, Laney Bryenton, Pattie Van Pelt, Maria Glaze, Linda Perry, and Mildred DeHaan. All of these individuals were part of the Community Living Coalition and advocates for the initiative. The reason for using the WestPro premises is that Mr. Walls was working under contract to WestPro Systems Group Inc. at the time, and also that their offices are very convenient to Gordon Hogg's constituency office. The full text of the e-mail is set out in Appendix D.27.

Gordon Hogg's responses to Mr. Walls indicate he appreciated Mr. Walls' input and efforts regarding the initiative.

In the course of our interviews of Gordon Hogg and Valerie Hamilton, we were told that Mr. Hogg knew very little, if anything, about CareNet's dealings with his Ministry. We saw no e-mail communications to suggest other-wise. However, we were provided with an Estimates Briefing Note prepared by Allan Pollock which was presented to Mr. Hogg and Mr. Haynes in or around March 2003, and referenced CareNet's ongoing connection charges.

We found no evidence that Mr. Hogg was aware of Mr. Walls' [Section 22] or an RCMP investigation.

Hon. Linda Reid

We interviewed Linda Reid and learned that she first met Doug Walls shortly after the swearing-in of cabinet ministers on June 5, 2001. Early in her tenure as Minister of State for Early Childhood Development, she undertook the task of assembling a group of experts to develop a Request for Proposals ("RFP") relating to autism. Mr. Walls was endorsed by both Chris Haynes and Al Etmanski as someone who had good contacts in the autism community and accordingly, she accepted his involvement in the development of the RFP. He was also working with P.L.A.N. at the time as that organization's Director of Social Enterprise. Mr. Walls did participate in two meetings by telephone that involved Robin Syme, Chris Haynes, Terri Cunningham, Linda Reid, and possibly others.

We understand that a conflict of interest issue arose as a result of Mr. Walls' involvement in the RFP process. The RFP was cancelled either because of the conflict issue or because a decision was made to have MCFD develop the service plan for autism services in-house in May 2002.

We believe that the very short duration of Linda Reid's involvement with Mr. Walls, coupled with the cancellation of the RFP, indicate that Mr. Walls did not influence the decisions of Linda Reid.

A summary of our findings in respect of the RFP is set out in Section 6.3.

Hon. Shirley Bond

Shirley Bond's first real contact with Doug Walls began when she was Parent Advisory Council Chair in Prince George while Mr. Walls was on the School Board. She ran for School Board and was elected three times; during her tenure on the Board she worked closely with Mr. Walls for about seven years. She described their relationship as a personal friendship which lasted for ten years, until January 2004. We note that they were serving together on the Board of the PLC Personal Living Choices Society as at August 15, 2001.

Mr. Walls encouraged Shirley Bond to run for provincial office in 2001 but he did not work on her campaign. They spoke approximately once per week preceding the 2001 election and as often as once per day after the election; he described their post-election discussions as "constant communication".

Mr. Walls stated to us, and his e-mail of Saturday, June 2, 2001 to Chris Haynes somewhat confirms, that Shirley Bond called him that day and told him that "she would be in cabinet". The e-mail sent by Mr. Walls to Chris Haynes on June 2, 2001, the full text of which is provided in Appendix D.8, contains the following: "*Stay calm . . . deep breaths . . . I chased Gord and Martyn down last night. Gord is likely a bit frantic as Lara was setting up the calls for Cabinet posts for today . . . Shirley got one - things continue to look pretty good.*"

This e-mail message was sent three days before the swearing-in of cabinet ministers. When we interviewed Shirley Bond, she was adamant that she did not tell Mr. Walls she got a cabinet post and in fact did not even tell her family she got the cabinet post until the public announcement was made.

The one area of agreement between Doug Walls and Shirley Bond is that they were personal friends who had weekly and sometimes daily discussions over the telephone, over lunch and dinner, and very occasionally by e-mail, over a period of ten years.

We asked Minister Bond to comment on a number of e-mails from Doug Walls to Chris Haynes that referred to her. Her general reaction was that she was "offended by the characterizations" of her and the statements attributed to her by Mr. Walls. She indicated she was aware of the potential of a criminal investigation related to the Fred Walls and Son Ltd. dealership, aware that Doug Walls went to work for WestPro Benefits Inc., but not aware [Section 22]

Later in our investigation, Mr. Walls stressed that Ms. Bond was "paranoid" about keeping cabinet confidentiality and suggested that he may have exaggerated somewhat in his e-mails to Chris Haynes. The latter comment would be consistent with our view that Mr. Walls had a tendency to name-drop in his attempts to influence others.

5.3.2 Relationships with Non-Elected Government Officials

Mr. Chris Haynes

We interviewed Chris Haynes and learned that he first met Doug Walls in 1983 / 1984 when Mr. Walls was president of AiMHi. At the time, Mr. Haynes was the Regional Director of what has since become MHR and his mandate included community living services in the Prince George region.

At that time, he found Mr. Walls to be very involved in the community living movement, extremely helpful and committed and they developed a mutual interest and vision for the future of community living services. Mr. Haynes confirmed that he saw Mr. Walls regularly on a working basis but that they had never been involved personally or on a social level.

Mr. Haynes' next significant contact with Mr. Walls occurred in about 1998 when Mr. Haynes was the Assistant Deputy Minister of MSDES/MHR. Shortly thereafter, in 1999, he engaged Mr. Walls as a consultant. This contract is discussed in more detail in Section 5.1.2 of our report.

Mr. Haynes stated to us that he had heard in or about 1998 / 1999 that the police were involved in investigating wrong-doing with respect to the Fred Walls & Son Ltd. dealership. He spoke to Mr. Walls about it and Mr. Walls' explanation was that all bankruptcy is messy and the police had had no contact with him. Mr. Haynes further stated that he had no other knowledge of this matter and therefore took Mr. Walls at his word. He also told us that he did not know of Mr. Walls' [Section 22]

We reviewed a series of e-mails generated by Mr. Haynes and Mr. Walls that confirm that they had a close working relationship over a long period of time. The following selections of text from these e-mails provide examples.

The first e-mail, sent Wednesday, May 30, 2001 from Mr. Haynes to Mr. Walls, includes the following.

> "Thanks for the heads up, Doug. I told Barb I have every confidence in you and there is no need for her to involve herself. I know it was just done out of concern, but she isn't aware of how far back or how deep this relationship goes..."

The full text of the e-mail is included in Appendix D.6.

The second e-mail, sent Wednesday, August 1, 2001 from Mr. Walls to Mr. Haynes, contains the following.

> "My relationship with you is far more important to me than any or all of this and I appreciate very much that it is really you who has to balance all these issues - we are just players around the outside..."

The full text of the e-mail is included in Appendix D.13.

The third, an e-mail sent Thursday, August 23, 2001 from Mr. Haynes to Mr. Walls, contains the following.

> "...those that value your leadership as much as I do..."

The full text of the e-mail is included in Appendix D.16.

Additionally, an e-mail sent Wednesday, December 5, 2001 from Mr. Walls to Mr. Haynes, includes the following.

> "Hi Chris, I actually had trouble sleeping last night - I just couldn't shake off the feeling - combination of awe and wonder kind of - about your success at Core Services yesterday. This is a great opportunity

> for you and I to make the kind of changes we have dreamed about for years and years - and our chance to mark a permanent place in human service. Thanks so much for the hand holding, the risk taking and the counsel through these last few years - I treasure our relationship...."

The full text of the e-mail is included in Appendix D.28.

Mr. Haynes related to us that Mr. Walls told him that he would recommend Mr. Haynes for the position of Deputy Minister of MSDES. Notwithstanding Mr. Haynes' desire for the Deputy Minister position at MSDES he was recommended by Brenda Eaton for a Deputy Minister position at MCFD, a position that he "did not really want". As discussed in the previous section on Premier Gordon Campbell, Mr. Walls made it abundantly clear that he was lobbying for a Deputy Minister position for Mr. Haynes. The actual position to which Mr. Haynes was appointed was Acting Deputy Minister of MCFD. He competed for and won the position of Deputy Minister in October 2001.

We reviewed several e-mails with regard to this issue. We note the following e-mail correspondence between Mr. Walls and Barbara Walman. On Thursday, May 24, 2001, an e-mail sent to Mr. Walls from Ms. Walman commented on Chris Haynes' interview for the Deputy Minister position. Included in Ms. Walman's comments are the following.

> "seems that our DM has his interview this Friday at 4 pm...apparently it is a 15 minute 'discussion' with about 5 people...do you think there is any chance they will interview Chris for DM position...if would be such a waste if they passed him by..."

On Friday, May 25, 2001, Mr. Walls replied to the above e-mail from Ms. Walman. Included in Mr. Walls' comments are the following.

> "Barb, Sorry I didn't respond sooner. I want you to know that I have used every way I have into the Ken et al decision-making system with regard to Chris. I can assure you that he is on everyone's radar screen. I have passed on a couple of messages to Chris. Just so you know, many of the interviews are being scheduled with "questionable" people - political, competency, questions etc - they are very benign but just trying to confirm what info they have. Finally, if you were Mike C and were invited to a meeting at 4:00 pm on Friday afternoon with 3 or 4

> others for 15 minutes . . .Appreciate your thoughts and sympathies . . . mine are in exactly the same place…"

The full text of the e-mails is included in Appendix D.6.

Mr. Haynes told us that he "never felt beholden" to Mr. Walls for his appointment as Deputy Minister of MCFD. He did, however, feel that Mr. Walls had a significant contribution to make to the Ministry as a result of a number of factors including:

- He had a lot of access to cabinet members;
- He was well connected with parents in the community living sector;
- He was well connected with service providers in the sector;
- He was extremely helpful and extremely dedicated;
- He gave worthwhile advice; and
- He got the job done.

We reviewed a significant number of e-mails generated by Mr. Walls that constitute, in our opinion, advice given to Chris Haynes. Mr. Haynes said he listened to the advice but made his own decisions.

On Thursday, October 18, 2001 an e-mail sent from Mr. Walls to Mr. Haynes referred to the editing by Mr. Walls of speeches given by Mr. Haynes to service providers. Included in Mr. Walls comments are the following.

> "Is it OK to make some changes to the two speeches. I could bring a hard copy of Child Development Centres to the meeting tomorrow. Will you be back in your office in Victoria on Monday or are you staying over in Vancouver. I could print a hard copy of both if you want or just email back the MAPCL one and you could print it.
>
> Do you want me to track changes so that you can see what I changed?"

The full text of the e-mail is included in Appendix D.22.

An additional e-mail of Sunday, October 21, 2001 from Mr. Walls to Mr. Haynes contains the sentences, "I have attached your speech for the

MAPCL AGM. I made some changes in the body - more personal and more direct."

An e-mail of Thursday, October 25, 2001 from Mr. Walls to Mr. Haynes refers to the editing of a speech given by Mr. Haynes to the members and friends of the Spectrum Society for Community Living on October 25, 2001. The e-mail contains the sentence, "*I'll make a few changes for you to reflect Spectrum to make Ernie feel good.*"

See Appendix D.23 for the full text of the October 21 and October 25, 2001 e-mails.

On Sunday, November 11, 2001 an e-mail from Mr. Walls to Mr. Haynes contained a document entitled "Message from Chris Haynes, Deputy Minister to Staff of MCFD" which was significantly edited by Mr. Walls. Included in Mr. Walls' e-mail is the sentence, "*Here are my thoughts.*" See Appendix D.25 for the full text of the document.

On Wednesday, January 30, 2002 an e-mail from Mr. Walls to Mr. Haynes contained an attached document and the sentence, "*Here is the draft of the transition model that the Coalition is going to consider at the meeting tomorrow.*" As well as the comments, "*Please do not share this with anyone on Exec at this point as it is only being circulated amongst the Coalition Big Table members at this point.*"

The full text of the e-mail is included in Appendix D.31.

Although Mr. Haynes and Mr. Walls agree that they had a close professional relationship and shared the same interests in community living and service delivery, Mr. Haynes told us he had no role to play in the awarding of contracts to Mr. Walls or any of his companies to work with CLTSC or the Interim Authority.

[Section 22]

To deal with this problem, Mr. Haynes undertook to hire an Interim Chief Executive Officer for the Interim Authority from outside the province; however, that process was ended on instructions from the Minister's Office.

The reason given, according to Mr. Haynes, was that "it was not a good time to proceed with it – we are going to do our mid-term service plan review and it would look bad now."

Our review of e-mails between Mr. Walls and Mr. Haynes revealed a number of communications in which Mr. Haynes discussed MCFD staff with Mr. Walls. One example is an e-mail sent Wednesday, August 01, 2001 from Chris Haynes to Doug Walls which contains the sentence, "I agree, [Section 22] are on a burning platform and I will get to it." This issue is discussed further in Section 6.1 of our report.

We have seen a significant amount of e-mail correspondence between Mr. Walls and Mr. Haynes that very clearly, in our view, indicates they were in close communication on many different ministry issues.

We concluded that Mr. Haynes encouraged and accepted significant input from Doug Walls into the affairs of MCFD from the time of his appointment as Acting Deputy Minister in June 2001 through 2002, even though Mr. Walls had no official position in the Ministry and no status as a contractor to the Ministry. Mr. Haynes discussed MCFD business and staff issues with Mr. Walls on a regular basis, and involved Mr. Walls in the drafting and editing of key Ministry position papers and other documents. We concluded that theirs was an unusual relationship that we would not have expected to find between a Deputy Minister and someone not officially connected to the Ministry.

Mr. Ken Dobell

We interviewed Ken Dobell and found that he knew of Doug Walls around the time of the 2001 election or shortly thereafter. The only communication he ever had from Mr. Walls, other than the meeting we refer to later, was an e-mail that was forwarded to him. This was most likely the e-mail, referred to in the section on Gordon Campbell, which Doug Walls sent to Martyn Brown on May 24, 2001. Mr. Dobell never received any telephone calls from Doug Walls.

This is consistent with what Mr. Walls told us; that is, he had no discussions with Ken Dobell about appointments, he "didn't know Ken Dobell", he couldn't "imagine sending him an e-mail", he "never did telephone him", and he "honestly can't recall talking to Ken Dobell about Deputy Minister postings".

Ken Dobell explained to us that the appointment of Deputy Ministers is a professional process and that ultimately he was responsible for the appointment of Chris Haynes as Acting Deputy Minister (the permanent appointment was made some months later). Mr. Dobell stated that there was nothing unusual in Mr. Haynes' appointment and that there was no undue pressure or influence involved.

We reviewed an e-mail dated Wednesday, July 18, 2001 from Doug Walls to Sam Sullivan, Cam Dore, Jordan Thurston, and Dave Driscoll which confirmed a meeting with Ken Dobell on July 19, 2001 which all three recipients were to attend. Based on the content of the e-mail, we interpret this to be a meeting for purposes of lobbying for the community living and individualized funding movement. The full text of the e-mail is included in Appendix D.12.

Mr. Martyn Brown

Although he does not recall their first meeting, Martyn Brown had what could best be described as a political relationship with Doug Walls. Prior to the May 2001 election he discussed Liberal Party matters, prospective candidates, and local issues with Mr. Walls. They also had discussions regarding the Munroe Agreement, where Mr. Walls volunteered his input. Martyn Brown was quite aware of Mr. Walls' involvement in the community living sector.

Mr. Brown recalled the e-mail of May 24, 2001 he received from Doug Walls, an e-mail which we believe may have been forwarded to Ken Dobell and Gordon Campbell, but stated this was the only contact he had with Mr. Walls at the time. We discussed this e-mail in the previous section of this report with respect to Gordon Campbell.

Martyn Brown did have a meeting with Mr. Walls on Tuesday, April 15, 2003 which was also attended by Gordon Hogg's ministerial assistant

Valerie Hamilton. We reviewed an e-mail generated by Mr. Walls on Tuesday, April 22, 2003 regarding the topics of discussion and found that Mr. Brown's recollection was consistent with that of Mr. Walls. There was nothing inappropriate about the meeting or the topics discussed, but we understand that a meeting between an Acting CEO of an Authority and the Chief of Staff would normally be considered unusual, and furthermore if it dealt with Ministry business, would involve the Deputy Minister.

5.4 CareNet Technology Society

5.4.1 History and Background

We understand that the first significant discussions regarding the formation of CareNet occurred sometime in the late 1990s when a need arose among community living service providers to explore the secure exchange of data between themselves and the Province.

We observed that the first financial activity of CareNet occurred on May 7, 2001 when the first member agency deposit was received into the CareNet bank account. On May 16, 2001, the first cheque was issued by the Society to WestPro Solutions.

CareNet Officers and Directors

The Society had a number of directors throughout its operating history; its Board was comprised of executive directors of the various member agencies. The individuals who were identified as applicants upon incorporation are as follows:

- Mr. Cam Dore, President;
- Mr. Jordan Thurston, Vice President – Marketing;
- Mr. Jack Styan, Vice President – Government Relations and Chief Privacy Officer;
- Mr. Ernest Baatz, Secretary and Treasurer; and

- Ms. Danette Kulger

Other CareNet Officers and Representatives

In addition to the aforementioned individuals, other non-director officers of the Society included:

- Mr. Peter Kerr, CA – Chief Information Officer and later Chief Executive Officer;
- Mr. Dale Alexander, Vice President – Administrative Services; and
- Mr. Michael West – Director of Member Services and Chief Information Officer.

We note that Michael West was a signing authority on the Society's VanCity bank account with any one of Cam Dore, Jack Styan, Jordan Thurston or Ernest Baatz. This authorization was provided by the CareNet board of directors.

WestPro Solutions Staff

We understand from the CareNet Board meeting minutes that WestPro Solutions was to provide administration, accounting and bookkeeping services to the Society. The WestPro Solutions staff who acted in that capacity included, but were not limited to the following:

- Mr. Michael West;
- Mr. Gerald Sohy ;
- Ms. Annette Bartsch, C.G.A; and
- Ms. Lilly Wenkeler.

We understand that Annette Bartsch and Lilly Wenkeler were always employed by WestPro Benefits Inc. and not by WestPro Solutions.

Contractors of CareNet and WestPro Solutions

The primary contractors of CareNet and/or WestPro Solutions in respect of the information technology project were as follows:

- Mr. Brian Berglund, CRB Consulting Ltd.;
- Ms. Joyce MacDonald, CRB Consulting Ltd;.
- Mr. Alan Baumbrough, ACB Consulting Group Inc.;
- Mr. Mike Kemp; and
- Mr. Doug Walls.

Doug Walls

We understand that Mr. Walls had the title of 'Associate' or 'Volunteer Associate' while acting on behalf of the Society. As a result of our various discussions and our review of the Society's Board meeting minutes, we determined that Mr. Walls was not authorized by the CareNet Board of Directors to represent himself in any other capacity.

In the documents provided to us, a Workplace Grant application submitted by CareNet to the HRDC Office of Learning Technologies in August 2001 indicated Mr. Walls was the 'Chief Financial Officer' of the Society. Mr. Walls agreed with us that this was inappropriate and a mistake on his part. The application also included a declaration by Cam Dore, Chairman of the Board of CareNet.

Additionally, in a VanCity Credit Union media release on October 25, 2000, Mr. Walls was described as Project Manager of CareNet.

We further understand Mr. Walls acted in the capacity of Vice President – Finance, Strategic Alliances of WestPro Solutions Inc. Based on the interviews we conducted, WestPro Solutions and the Society were often perceived to be the same entity.

Doug Walls, through NSPG, was contracted by WestPro Solutions. Our understanding from documents reviewed is that NSPG billed WestPro Solutions approximately $240,000 for CareNet related work but was only paid approximately $165,000 of this amount. The unpaid amount is included in the lists of creditors of WestPro Solutions in Section 5.4.4 of the report.

WestPro Solutions

WestPro Solutions Inc. was incorporated under the Company Act on March 3, 2000. The company underwent a series of name changes; however, we refer to it as WestPro Solutions throughout this report. The other names used by WestPro Solutions were as follows:

- WestPro NGO Web Technology Inc. (March 3, 2000 to March 10, 2000)
- WestPro NGO Web Technologies Inc. (March 11, 2000 to June 29, 2001)
- WestPro Solutions Inc. (June 30, 2001 to June 7, 2002)
- CareNet Systems Inc. (June 8, 2002 to present)

The sole shareholder of WestPro Solutions is Howard Kettner.

WestPro Solutions was to provide management and administration services to CareNet. WestPro Solutions had management control of the CareNet project and accepted the related risks even though there was no signed management contract between CareNet and WestPro Solutions.

The result of this arrangement was that WestPro Solutions was in a position to control the flow of funds from CareNet. Given that approximately 75% of the funds received by CareNet went to WestPro Solutions, this created a potential conflict of interest and accordingly was not an ideal arrangement for management of a non-profit organization. The requirement that a CareNet board member co-sign all CareNet cheques may not have provided adequate insurance that WestPro Solutions and its staff were always acting in the best interests of the Society.

We understand from our interview with Annette Bartsch that [Section 22]

[Section 22]

We were asked to determine whether Doug Walls' roles in CareNet and WestPro Solutions constitute a conflict of interest and whether he derived a personal benefit from those roles. We addressed the latter question in the previous section of this report. He was paid as a contractor by WestPro Solutions and he had a personal investment in WestPro Systems Group. CareNet was paying WestPro Solutions for various management and administrative services, including those of Mr. Walls. As we indicated earlier, the arrangement between the two entities created a potential conflict of interest, particularly if a WestPro Solutions employee/contractor failed to act in the best interests of CareNet. We found no evidence that Mr. Walls was not acting in the best interests of CareNet in his capacity as a WestPro Solutions contractor, at least until the fall of 2002, when the CareNet/WestPro Solutions arrangement ended. Our view is corroborated in part by the fact that WestPro Solutions lost almost $1 million as a result of its association with CareNet.

Withdrawal of WestPro Solutions

By the fall of 2002, WestPro Solutions had essentially withdrawn from the CareNet project. This fact is evidenced by the following two events:

- the last cheque issued by CareNet to WestPro Solutions was in September 2002; and
- a sale was proposed of the CareNet related intellectual property ostensibly owned by WestPro Solutions.

Bankruptcy of CareNet

Our understanding is that the Society was in financial difficulties as soon as WestPro Solutions had severed its relationship with CareNet in the fall of 2002. The indicators were as follows:

- an application submitted to Human Resources Development Canada was rejected in or around April 2002, failing to produce an expected grant to the Society of $200,000;
- the Society's June 30, 2002 financial statements, reviewed by Deloitte & Touche LLP, include a note with respect to the Society's ability to operate as a going concern; and
- a member's levy was issued in the fall of 2002 and early 2003; however, most of the fees collected were used to pay for costs previously incurred by the Society.

A new entity named the Community Services Technology Society was incorporated under the Society Act on April 19, 2003. We note that Cam Dore, Bruce Hardy, Jordan Thurston, Peter Kerr and Danette Kugler were the applicants for incorporation. We understand however that this society is dormant.

On September 9, 2003, CareNet became bankrupt.

5.4.2 Funds Received from Member Agencies

We reviewed the Society's deposit book and related documentation. We prepared the following summary of funds collected during the period September 15, 2000 to September 9, 2003.

10 months ended June 30, 2001	$ 175,654
Fiscal year ended June 30, 2002	569,130
Fiscal year ended June 30, 2003	415,136
July 1 to September 9, 2003	36,448
Net revenue not recognized by September 9, 2003	18,440
Total cash deposits received by CareNet (net of GST)	$1,214,808

Based on our interviews with Executive Directors of CareNet member agencies, we understand that member agency funding of the CareNet project is essentially indirect government funding in that member agencies receive substantially all of their funding from the Province.

Member Agencies and Funding Provided

The member agencies that provided funding to the Society are listed below. The funding provided is as follows.

Name of CareNet Member Agency	Funding Provided (Net of GST)
AIMHI – Prince George Association for Community Living	$ 108,431
Bethesda Christian Association	71,755
Burnaby Association for Community Inclusion	91,070
Coast Foundation Society (1974)	69,516
Community Integration Services Society	12,726
Community Ventures Society	23,851
Employment Action	4,230
Family Support Institute	4,733
Fraserside Community Services Society	5,871
H.O.M.E. Society	50,107
Hildebrandt Homes	4,471
Kardel Consulting Services Inc.	2,500
Mainstream Association for Proactive Community Living	131,543
Mennonite Central Committee Supportive Care Services	39,398
Mission Association for Community Living	21,282
MSA Society for Community Living	5,032
Nanaimo Association for Community Living	14,430
North Okanagan Community Life Society	15,047
North Peace Community Resources Society	10,713
North Shore Disability Resource Centre Association	28,640
Options - Services to Community Society	46,125
Pacific Legal Education Association	76,174
Planned Lifetime Advocacy Network	4,371
Powell River Association for Community Living	29,250
Quesnel Community Living Association	5,951
Richmond Society for Community Living	10,351
Ridge Meadows Association for Community Living	49,442
Salt Spring Island Community Services Society	1,800
Sea to Sky Community Services Society	14,805
Semiahmoo House Society	67,467
SHARE Family & Community Services Society	19,059
Shuswap Association for Community Living	3,124
Simon Fraser Society for Community Living	45,457
Spectrum Society for Community Living	42,078
Sunshine Coast Association for Community Living	4,158
Terrace & District Community Services Society	27,406
Tetra Society of North America	5,500
Westcoast Family Resources Society	25,626
W.J. Stelmaschuk & Associates	21,317
Total member agency funding provided (net of GST)	$1,214,808

We understand that the funding formula used by the Society was based on a similar funding formula used by BCACL. Specifically, the annual fees paid by the CareNet member agencies were comprised of the following four components:

- Information repository and hosting facility fee;
- Basic annual membership fee;
- Human resources membership fee; and
- Society administration fee

We prepared the following table showing the disposition of the $1,214,808 collected from the member agencies.

Payment to	Description	Payments Made (Net of GST)
WestPro Solutions	General Consulting Contracts, Software Licenses, Training and Specialized Service Contracts	$ 844,355
Fusepoint Managed Services	Infrastructure Costs	125,739
EDS Canada Inc.	Specialized Service Contracts	78,929
Mike Kemp	Technical Support	42,754
The Electric Mail Company	Security Services	38,242
Zig Reders	Specialized Service Contracts	18,413
AzaNet Technologies Inc.	Technical Support	18,181
James K. Fraser Law Corporation	Legal	15,332
HII Health Information Canada Inc	General Consulting Contracts	8,885
Deloitte & Touche	Accounting	7,739
Peer 1 Network Inc.	Infrastructure Costs and Security Services	6,164
Davis & Company	Legal	4,792
Gerry Sohy	Specialized Service Contracts	1,530
Other	Various	3,753
		$ 1,214,808

5.4.3 Payments from CareNet to WestPro Solutions

We reviewed cancelled cheques and bank statements for amounts paid from CareNet to WestPro Solutions and found that from May 2001 to September 2002, CareNet paid WestPro Solutions approximately $904,000 including GST. These payments were authorized by any two of the following individuals.

- Mr. Cam Dore, President
- Mr. Michael West, Director of Member Services and Chief Information Officer
- Mr. Jack Styan, Vice President – Government Relations and Chief Privacy Officer
- Mr. Jordan Thurston, Vice President, - Marketing

We note that substantially all of the cheques were co-signed by Mr. Cam Dore and Mr. Michael West, an employee of WestPro Solutions. As we pointed out earlier, a potential conflict of interest arises out of the relationship between WestPro Solutions and CareNet. Mr. West, as a result of his dual roles with WestPro Solutions and also CareNet, is at the heart of the potential conflict of interest.

We prepared a summary of the payments to WestPro Solutions as follows:

Period	Amount (Includes GST)
May 1, 2001 to June 30, 2001	$ 113,757
July 1, 2001 to June 30, 2002	663,603
July 1, 2002 to September 3, 2002	126,100
Total	$ 903,460

Invoices for Services Rendered

We reviewed the underlying invoices for services provided by WestPro Solutions to CareNet and its member agencies. Descriptions for services provided on these invoices included:

- ICS InternetForms Designer;
- CareNet PureEdge form software customer;
- Training for PureEdge Software;
- Technology consulting;
- CareNet client information system;
- Credit Technology Consulting;
- Risk Management Consulting;
- Human Resource Membership fee; and
- CareNet Train the Trainer Days.

Based on our review of the documents available, the total amount of invoices issued by WestPro Solutions to CareNet in respect of these services was approximately $1,123,382 including GST. We note that invoice reversals of $193,066 were made to the WestPro Solutions vendor account in addition to the $903,460 of cash payments. The result is that the CareNet books reflect an amount owing to WestPro Solutions in the amount of approximately $26,856 as at September 9, 2003.

We found no evidence to suggest that the services set out in the WestPro Solutions' invoices and paid for by CareNet were not delivered.

Payments to CareNet Creditors

We reviewed the payments to CareNet's creditors in order to determine if payments were transparent and equitable, specifically whether preference was given to amounts owed to WestPro Solutions. We found that the last payment made by CareNet to WestPro Solutions was on September 3, 2002.

We reviewed the 'Statement of Affairs (Sec 158) in the Matter of the Bankruptcy of CareNet Technology Society of the City of Burnaby, Province of British Columbia, MacKay & Company Ltd., Trustee'. As indicated in the Statement of Affairs, the total amount owing to unsecured creditors of the Society as at September 9, 2003 was as follows.

Name of Creditor of CareNet	Amount
Burnaby Association for Community Inclusion	$ 5,200
Canada Revenue Agency (formerly Canada Customs & Revenue Agency)	1,500
Mainstream Association for Proactive Community Living	12,000
Semiahmoo House Society	14,940
DML Leasing Inc.	15,000
Fusepoint Managed Services Inc.	20,000
[Section 22]	27,037
[Section 22]	3,000
The Electric Mail Company	4,300
H.O.M.E. Society	5,000
HII Health Information Canada Inc.	7,000
CareNet Systems Inc. (formerly WestPro Solutions Inc.)	Unknown
EDS Canada Inc.	Unknown
James K. Fraser Law Corporation	Unknown
Ministry of Finance	Unknown
Total amount owing to unsecured creditors as at September 9, 2003	$114,977

According to Ms. Annette Bartsch, an account receivable from CareNet of approximately $26,000 on the books of WestPro Solutions was written off. Accordingly, we believe the CareNet Systems Inc. "unknown" amount is approximately $26,000.

We reviewed CareNet's accounts payable changes for the entire period of operation and found no evidence that preference was given to amounts owed to WestPro Solutions. We noted other creditors continued to be paid along with WestPro Solutions after the final WestPro Solutions invoice was issued to CareNet in May 2002.

5.4.4 Financing Provided By WestPro Companies

Mr. Howard Kettner, principal of WestPro Solutions, allowed us access to the financial statements and certain other financial reports of WestPro Solutions in order to provide the information set out in this section.

We prepared the following summary of the amounts contributed to the CareNet project by Howard Kettner and/or WestPro companies.

Description	Amount
WestPro Solutions preferred shares - WestPro Systems Group	$500,000
Loan to WestPro Solutions from WestPro Systems Group	112,331
Loan to WestPro Solutions from Howard Kettner	120,873
Loan to WestPro Solutions from Howard Kettner / [Section 22]	16,000
Bank loan to WestPro Solutions (guaranteed by Howard Kettner)	100,000
Subtotal (financing provided by Howard Kettner / WestPro Systems Group)	$849,204
WestPro Systems Group preferred shares – [Section 22]	25,000
WestPro Systems Group preferred shares – [Section 22]	25,000
Total financing provided by Howard Kettner and/or WestPro companies	$899,204

We note that the above amount does not include unpaid contractors or creditors of WestPro Solutions as at the company's fiscal year end of September 30, 2003. Based on our discussions with Howard Kettner and Annette Bartsch, we understand that the total financing reflected above constitutes a loss to the WestPro Systems Group and Howard Kettner.

Creditors of WestPro Solutions

The creditors of WestPro Solutions listed in the company's accounts payable and remaining as at September 30, 2003 and the amounts owing to them are as follows:

Name of Creditor	Amount
ACB Consulting Group Inc.	$ 26,727
[Section 22]	746
CRB Consulting Ltd. (Brian Berglund and Joyce MacDonald)	106,199
Davis & Company	15,336
[Section 22]	1,345
Great West Life Assurance Co.	713
[Section 22]	367
[Section 22]	1,500
[Section 22]	311
Next Millenium Consulting Ltd.	4,692
[Section 22]	1,785
The Northern Social Policy Group Inc.	33,800
Total amount owing to creditors as at September 30, 2003	$193,521

We understand that these creditors are unlikely to be paid by WestPro Solutions.

In addition to the listed accounts payable set out above, WestPro Solutions had deferred payment for certain contractors. These deferred amounts should be considered to be liabilities of WestPro Soultions, similar to the accounts payable listed above. We were told that these amounts will not be paid as follows.

Name of Creditor	Amount
ACB Consulting Group Inc.	$ 61,606
CRB Consulting Ltd.	35,669
The Northern Social Policy Group Inc.	39,900
Entier	52,691
PureEdge	36,389
Total deferred payments to certain creditors	$ 226,255

Accordingly, the total cost of the CareNet project to unpaid contractors and creditors of WestPro Solutions is $193,521 plus $226,255 equals $419,776.

5.4.5 Support from the Province

Early Dealings with MCFD

We understand that in July and August 2000, Mr. Walls and certain other future CareNet Board members and representatives had a series of meetings with Ministry representatives. These individuals wished to develop the Society and were interested in collaborating with MCFD on technology issues. It was at this time that WestPro Solutions staff obtained the *www.CareNetbc.com* domain name.

Financial Support from MCFD

We understand that MCFD was prepared to provide support to CareNet in the form of funding connection charges totalling $100,000 by way of two separate Memoranda of Understanding.

On October 10, 2000, a signed Memorandum of Understanding was sent from Ms. Theresa Kerin, Assistant Deputy Minister and Chief Information Officer, MCFD, to Mr. Walls which outlined a mutually beneficial working partnership between MCFD and the Society expiring March 31, 2001 with an option to extend for another year.

At this time, a one-time only grant of $50,000 was provided to explore the potential for contracted agencies in the social services sector to have secure access to MCFD files through Shared Provincial Access Network/BC ("SPAN/BC").

ITSD, later known as CITS, opened an account for the CareNet agencies and the first connection hook-up occurred in January 2001. Billings for the connection charges were sent to the Society to the attention of Mr. Gerald Sohy.

A second Memorandum of Understanding for another $50,000 was prepared dated June 11, 2001 but was not executed. However, even though the second Memorandum of Understanding was not executed, MCFD funded the on-going connection charges for CareNet member agencies as detailed below.

ITSD / CITS Connection Charges

There was concern that MCFD's transfers to CITS on behalf of the Society may effectively be an unauthorized 'loan' or 'write-off' of an amount owing to the Province. The amount of this 'write off' has been reported to be $400,000. The facts with regard to these transfers and "write off" are as follows:

- The connection charges for CareNet were billed to the Society by ITSD/CITS starting in January 2001, but remained unpaid and were therefore reflected as accounts receivable on the books of ITSD/CITS.
- The $50,000 grant from MCFD pursuant to the MOU effectively paid off the charges for January, February and March 2001 by way of a journal voucher from ITSD/CITS to MCFD. The $50,000 did not flow through CareNet.
- By December 2001, the outstanding account receivable from CareNet had grown to $278,997 net of GST. A second journal voucher from ITSD/CITS to MCFD credited the account receivable at ITSD/CITS and debited, that is, charged the amount to MCFD, which in turn treated it as a information systems data communications expense.
- The subsequent journal vouchers were generated by ITSD/CITS in the amounts of $67,411; $34,367; and $104,164 (all net of GST) which again credited the account receivable at ITSD/CITS. The $67,411 and $34,367 were charged to information systems data communications and the $104,164 was charged to community governance data communications at MCFD. These journal vouchers dealt with the connection charges incurred from January through June 2002.

- Subsequent to June 2002, the connection charges were billed directly on a monthly basis to MCFD rather than CareNet via an electronic journal voucher.

Notwithstanding the willingness of MCFD to eliminate the debt of CareNet up to June 2002 and accept the expense directly thereafter, there was a sufficient amount of confusion in the early dealings between CareNet and MCFD with respect to who would pay for the connection charges.

We reviewed the invoices issued by ITSD/CITS to CareNet and to MCFD. The total charges incurred by MCFD to date are approximately $1.1 million net of GST. We prepared a summary of the total invoiced charges incurred by MCFD over the period January 1, 2001 to February 28, 2004 as follows.

Issued to	Attention	Period	Amount
CareNet	Gerry Sohy	January 2001to June 2002	$ 537,180
MCFD	Joan Danderfer	July 2002 to February 2003	250,745
MCFD	Wendy Cox	March 2003 to February 2004	340,158
Total			$1,128,083

We noted from our review of CareNet's financial records that the invoices issued to CareNet were not accounted for as accounts payable in the Society's financial statements. We were told by Doug Walls and others connected with CareNet that the expectation was that MCFD was going to fund the connection charges.

We reviewed a document issued by Mr. Michael West to CareNet member agencies dated Thursday, January 10, 2002 which indicated the following.

> "Being the first community-based, non-profit link to government, the Society has worked with MCFD to set and meet rigorous security and

> service requirements of the Information Management Services Division (ITSD). As a result, Society members are supported by the Ministry to access SPAN-BC."

Notwithstanding CareNet's failure to recognize its debt to ITSD/CITS and Mr. West's misguided communication to CareNet's member agencies, there is no doubt that the Society owed the Province for the connection charges at least up to July 2002 after which they were charged directly to MCFD.

The total of $1,128,083 referred to above could be characterized as a transfer of a portion of MCFD's budget to CITS, and accordingly, MCFD had, over the period January 2001 to February 2004, $1,128,083 less to spend on its mandate than would have been the case without funding CareNet. However, it must be recognized that MCFD had a legitimate interest in developing a network for secure exchange of information and CareNet offered development of a technical solution. Although CareNet failed to develop a solution, MCFD recognized some on-going value of the secure network connections for the service agencies and continued to pay for the connections until February 2004.

The actual cost to the Province, however, is not the full amount as a portion of it is actually a fixed cost recovery for CITS. We discussed the incremental cost of the connection charges with George Carson of CITS and found that these costs averaged at least $355, and as much as $450 per month per agency location out of a total charge of approximately $900 per month. Therefore the real incremental cost to the Province is somewhere between 40% and 50% of the total charged, a maximum of approximately $550,000.

In our view, the reported $400,000 "loan write-off" is a mischaracterization of what happened. It is more appropriately described as a $484,939 elimination of ITSD/CITS's account receivable from CareNet made by journal entry by MCFD. The amount of $484,939 reflects the connection charges incurred from April 2001 to June 2002. Regardless of whether the transactions were properly authorized, the amount in question can be described as an expense accepted by MCFD in support of CareNet. However, we note that except for the initial $50,000 contribution by MCFD supported by a

Memorandum of Understanding, there was no contract or agreement in place for the remaining support.

Letter Dated April 9, 2001

We reviewed correspondence from the former Assistant Deputy Minister of MCFD, Ms. Theresa Kerin to the President of CareNet, Mr. Cam Dore, dated April 9, 2001 with respect to the expiry of the Memorandum of Understanding dated October 10, 2000.

Included in Ms. Kerin's comments are the following.

> "…The Ministry's funding commitment to assist in the costs of connecting to SpanBC has also lapsed. The Ministry of Children and Families is prepared to continue funding of SpanBC network charges for CareNet agencies, to a maximum of $50,000 for the period April 1, 2001 to March 31, 2002 provided that this funding arrangement is supported by a specific Memorandum of Understanding…"

The specific Memorandum of Understanding referred to was never executed.

Authorization of Payment of Connection Charges

On December 7, 2001, MCFD advised CareNet that it would pay CITS the approximate $290,000 owing for the network connection fees to December 31, 2001. MCFD also committed to helping fund a longer term solution to the secure network access issue and to consider funding the residual amount owing to CITS.

An e-mail from Mr. Wayne Ironmonger to Mr. Cam Dore dated Friday, December 7, 2001 provided follow-up confirmation as to the items discussed at a Thursday, December 6, 2001 meeting. Included in Mr. Ironmonger's comments are the following.

> "Cam;
>
> This is to follow up on yesterday's meeting with yourself, Jordan, Bruce, Doug and Brian. This is a summary of the discussion:

> 1. The Ministry will cover the cost of the existing ITSD connection fees until December 31/01. This will be approx. $290,000. It is understood that only $50,000 was included in the Ministry's base budget. I will work with the EFO Les Foster and the Deputy Minister Chris Haynes to find the additional amount.
>
> 2. The CareNet Board will formally request that the Ministry pay for the cost of the connection fees until the end of the fiscal year. The rationale for this request is to allow adequate time for decisions to be made regarding new governance and service delivery models. Once I receive the request I will take it to the Deputy and EFO for review.
>
> 3. I plan to meet with agency reps (some using the CareNet system, others not) in mid-December to explore opportunities for using information systems to improve overall services. Ideas for business process and performance management improvements will be consider in any discussion and implementation of governance models.
>
> 4. The Ministry will be proactive in supporting the development of policies and standards for information systems that must be in place prior to moving into any new governance models. The CareNet Board is prepared to provide input and advice on this.
>
> Please let me know if I've missed anything on this Cam or if you have additional. It is my intention to copy Chris Haynes, Les Foster and ITSD reps once I have your approval on the content of this note."

The full text of the e-mail is included in Appendix D.29.

When we interviewed Les Foster, the Assistant Deputy Minister to whom Wayne Ironmonger reported, he indicated he was aware of the CareNet situation with respect to the unpaid connection charges and was "shocked" when he heard that the $400,000 was referred to as a loan.

On Friday, December 7, 2001, Wayne Ironmonger forwarded the e-mail he sent to Cam Dore (referred to above) to Les Foster and Chris Haynes. Included in Mr. Ironmonger's comments are the following.

> "I met with CareNet board reps yesterday along with Doug Walls and Brian Berglund. This is a summary of the meeting decisions. I've reviewed this with Cam Dore by phone. He hasn't seen the note yet. Once I hear back from him I'll forward a copy to you and ITSD reps. Please let me know if you need further info on this at this time."

On Sunday, December 9, 2001 at 2:49 PM, Les Foster replied to Wayne Ironmonger and copied Chris Haynes in respect of the above e-mail he received from Mr. Ironmonger. Included in Mr. Foster's comments are the following.

> "Item 2 I assume will be only for EXISTING connections... or is the intent for us to pay for new ones too? Any idea what this would cost you for the remainder of the year in excess of the $50,000 you have budgeted?"

Chris Haynes forwarded this entire string of e-mails to Doug Walls almost immediately after receiving the above message from Les Foster. The full text of the e-mails is set out in Appendix D.29 of the report.

Subsequently, on December 9, 2001 at 8:55 PM, Wayne Ironmonger replied to Les Foster, and copied Chris Haynes, in response to the e-mail received from Les Foster on December 9, 2001 at 2:49 PM. The entire text of Mr. Ironmonger's response is as follows.

> "Hi Les. The proposal was for existing connections. ITSD are holding the 17 new requests until it is clear how ongoing costs are going to be managed. I don't have the file in front of me but my recollection is that there are 31 existing connections and 17 on the wait list. The average monthly agency connection fee is approx $1000. The annualized cost for all 48 agencies at existing ITSD rates would be in the range of $575,000. I'll go through the file tomorrow and get you the detail on the impact for this fiscal year."

The above mentioned e-mail exchange between Les Foster, Chris Haynes and Wayne Ironmonger provides a clear indication that not only were Mr. Foster and Mr. Haynes aware of the situation, but they provided tacit approval for the initial $290,000 transaction and further Ministry support to the end of March 2002.

When we interviewed Chris Haynes, he confirmed that he was aware of the issue of connection charges. The issue was one which he "inherited" when he became Acting Deputy Minister as the previous Memorandum of Understanding between CareNet and MCFD had already provided $50,000 for connection charges. He said he was told Gord Butterfield and Wayne Ironmonger were working on the problem but it was not "a big item on the radar screen". Mr. Haynes confirmed that he provided the authorization and scope to Les Foster and Wayne Ironmonger to find a solution to the problem, because given that there was a perception as to his relationship with Doug Walls, he would "stand out of the process".

Indications are that Wayne Ironmonger wanted further direction from Mr. Haynes with respect to CareNet's request for ongoing funding, as evidenced in the following e-mail correspondence.

On Tuesday, January 29, 2002 an e-mail sent from Wayne Ironmonger to Ministry staff included the following.

> "MCF agreed to pay the invoices to December 31 20001. Payment beyond Jan 1/02 is contingent on CareNet making a formal request to the Ministry and this being approved by our EFO and DM. I have not received this request.
>
> I will contact the Chair of the CareNet Board Cam Dore and get an update from him on this."

The full text of the e-mail is included in Appendix D.30.

On Friday, February 1, 2002 Wayne Ironmonger sent an e-mail to Les Foster which contained the following.

> "Hi Les. Attached is the draft request from CareNet for funding until the end of the fiscal year and approval for the additional connections. I just rec'd another note from Doug Walls indicating that the signed letter is being couriered today. We should try to get a few minutes with the Deputy on Friday when we are together to discuss how he wants to proceed with this. I'm out of the office until Wednesday morning. Have a good weekend."

The full text of the e-mail is included in Appendix D.32.

On Thursday, February 7, 2002, George Carson sent an e-mail to Wayne Ironmonger with the subject heading "*CareNet*", wherein Mr. Carson posed the question as follows.

> "Any change in the status Wayne?"

Mr. Ironmonger replied to the e-mail from Mr. Carson with the following comments.

> "Hi George. We rec'd a letter from them on Friday. I've asked the EFO and Deputy for direction on this. I'm hoping to be able to get some time with them tomorrow or Friday. I'll update you no later than Tuesday morning."

An e-mail from Mr. Ironmonger to MCFD staff dated Thursday, March 28, 2002 responded to an enquiry from CITS in respect to the processing of the CareNet connection charges from January to March 2002 and whether MCFD was going to accept the charges. Included in Mr. Ironmonger's comments are the following.

> "We will process the invoice through ESD accounts as we did last time with a note that this is not in our base budget. Les Foster and Chris Haynes are aware of this plan."

The full text of the e-mail is included in Appendix D.37.

According to the series of e-mails between Susanna Francis, Joan Danderfer, and Jackie Ward copied to other ministry staff, authorization for the ongoing connection charges was provided by Wayne Ironmonger as an interim step.

The e-mail dated Thursday, July 18, 2002 from Susanna Francis to Joan Danderfer and copied to Jackie Wald included the comments as follows.

> "In my discussion with Wayne Ironmonger today, he told me that CITS can send the bills for these services directly to MCFD on a monthly basis, providing we do not process any moves or install additional circuits. This is an interim step until CITS (working with the CIO's office) comes up with a strategy for lower cost secure network for organizations such as CareNet who have close relationship with the government.

> As per Wayne's direction, we can keep these charges separate from other charges to MCFD by keeping a separate Invoice Client."

In a reply e-mail dated Monday, July 22, 2002 Jackie Wald indicated the following.

> "I'm not sure how long Wayne is willing to continue to pay for this…"

In a subsequent e-mail dated Wednesday, July 31, 2002 Jackie Wald commented as follows.

> "It was my understanding that Wayne agreed to pay for the circuits but there was no indication that we were supporting an expanded CareNet program."

The full text of these e-mails are included in Appendix D.39.

The connection charges continued to be billed to MCFD until February, 2004.

We concluded that the direct approval for MCFD's acceptance of the connection charges, after the initial $50,000 pursuant to the Memorandum of Understanding, came from Wayne Ironmonger. However, we also concluded that Mr. Ironmonger's action was authorized by Les Foster and Chris Haynes.

Chris Haynes' Participation Regarding Connection Charges

Based on our review of e-mail correspondence, we determined that Mr. Haynes was aware of the CareNet relationship with MCFD as early as November 2000. We note the following e-mail correspondence evidencing Mr. Haynes' knowledge of, and participation in, the approval of MCFD funding of the CareNet connection charges.

An e-mail from Doug Walls to Theresa Kerin dated Friday, November 24, 2000, in which Mr. Walls indicated that Chris Haynes, then with MSDES, had knowledge of the original CareNet memorandum of understanding with MCFD and the potential for a similar arrangement to be made with MSDES. Included in Mr. Walls' comments are the following.

> "Chris Haynes said that Mike Corbeil has told him that he is interested in looking at a MOU with CareNet in a fashion similar to MCF and hopefully with some degree of joint cooperation."

A further e-mail from Doug Walls to Theresa Kerin dated Tuesday, November 28, 2000 included the following comments.

> "As I understand it Mike asked Chris about whether they should be doing anything with CareNet - I don't think Chris knows what gave rise to the question - Mike expressed interest in doing something "co-operatively" with you. Chris felt that if you called or emailed Mike, and in some way indicated a similar interest from your perspective and also said that Chris had raised it with you and you would like to work with Chris to see what made sense, Mike would likely turn it over to Chris to proceed."

The full text of the above e-mails is set out in Appendix D.1.

An e-mail from Chris Haynes to a representative of Compaq Canada copied to Doug Walls dated Friday, May 4, 2001 in which Mr. Haynes facilitated an introduction of CareNet and Doug Walls to Compaq Canada included Mr. Haynes' comments as follows.

> "In terms of the future and future possibilities I wanted to introduce you by way of this e mail to CareNet. CareNet is developing a network of agency connections second to none in the Province. I note that a # of key technology firms have formed key strategic partnerships with CareNet. Doug Walls has provided the insight and leadership to make this happen.
>
> By way of this note I am wondering if COMPAQ would be interested in at least a briefing on CareNet along with the West Pro connection. My feeling is that any technology firm that does business with government over the next 4 years in the social service area will need to factor in the significant relationship that CareNet has developed with the third sector.
>
> I have a sole and single motivation for doing this as follows. My relationship with Doug Walls spans many decades, he is a dedicated person of integrity committed to work in the social service/technology area I have no hesitation in saying that you would find value in a meeting with him."

A further e-mail from Chris Haynes to Doug Walls dated Friday, May 4, 2001 included the following comments.

> "[Section 22]
>
> I'll be with him again next week so we'll get on to CareNet."

The full text of the above e-mails is set out in Appendix D.2.

An e-mail from Doug Walls to Chris Haynes dated Thursday, May 24, 2001, in which Mr. Walls requested support from Mr. Haynes, included Mr. Walls' comments as follows.

> "your mention and support of linking with CareNet for the community side of things would really help"

The full text of this e-mail is set out in Appendix D.4.

An e-mail from Chris Haynes to Doug Walls dated Thursday, May 31, 2001 included Mr. Haynes' comments as follows.

> "Doug, if you're over on the 5th., why not come to the IBM session and hear my commens about CareNet? I realise it may be too early, but I could identify you to the govt senior execs.???"

The full text of this e-mail is set out in Appendix D.7.

An e-mail from Doug Walls to Chris Haynes dated Friday, July 6, 2001, in which Mr. Walls updated Mr. Haynes as to the status of the proposed $50,000 MCFD grant and the related costs of connectivity to CareNet, included Mr. Walls' comments as follows.

> "Meanwhile the agencies in CareNet are chugging along paying for everything except the connectivity and they are doing this through ITSD which is now, at market prices, about a 1000% premium - in other words ten times what they could buy the service from on the street. Even at these prices, the real numbers are way, way low compared to this - our expectation is that it would be a gradual buildup overtime (likely a five year span) and would start with likely between $1 and $2 million this year (currently CareNet for 40 very large agencies is only about $300k) rising to less than $10 million in 5 years. If the connectivity was private or ITSD was privatized and forced to compete it would be about 2/3rd's to 3/4er/s less than this."

A further e-mail from Chris Haynes to Doug Walls, dated Friday, July 6, 2001, included the following comments.

> "I agree with your strategy....as it stands right now you would do better under a 'shared services' model."

The full text of the above e-mails is set out in Appendix D.9.

An e-mail from Doug Walls to Chris Haynes, dated Friday, July 6, 2001, in which Mr. Walls referred to a voicemail he left for Mr. Gord Butterfield included Mr. Walls' comments as follows.

> "I called him back - he was in a meeting and I was going into one so I left him a message
>
> - thanks a ton for calling
> - I agree that we appear to be working at cross purposes
> - right now this stuff is between us - I have not forwarded it to any CareNet Board members because I know how they would react
> - they would react because you agreed (along with Wayne) on Wed to help settle things down for a month or so to allow some joint work to create a common understanding
> - it is your return to linking the credit from MCFD to ITSD to a MOU (or your email messages) which terminate the relationship that is creating the problem
> - this process of debiting and crediting accounts was underway - why can't it just continue - why force confrontation when none need occur - there never has been any paper at any time on any funding why is this different?
> - I want to help - let me know if I can - I will call you later
>
> That's the latest. [Section 22]

The full text of this e-mail is set out in Appendix D.10.

An e-mail from Theresa Kerin to the MCFD CareNet file, dated Wednesday, July 11, 2001, included the following comments.

> "On Thursday, July 5th before a meeting between the Deputy, myself and IBM I gave the Acting Deputy a heads up re the current situation with respect to CareNet. Specifically I indicated that there was considerable tension between CareNet and the Ministry, CareNet appeared to be asking for the Ministry to fund their network connectivity charges this year which could be in excess of $600,000. The Ministry's position was that we could only fund $50,000 of network connectivity costs this year. The Deputy asked if this was a reduction of our last year's commitment and I indicated no, it was a continuation and extension of the same commitment as last year. He indicated that provided there was no reduction year over year he supported our position. I indicated that we had not budgeted for these costs this year, could not pay for such costs without a decision to extend this support to other agencies and without essentially giving CareNet a unfair competitive advantage."

The full text of this e-mail is set out in Appendix D.11. We note that Ms. Kerin was removed from her Assistant Deputy Minister position later in July and Wayne Ironmonger became the MCFD official responsible for the CareNet relationship.

An e-mail from Joyce MacDonald to Chris Haynes, dated Thursday, August 2, 2001, included the following comments.

> "Good morning Chris,
>
> I would like to include news releases from Minister Gordon Hogg and Minister Linda Reid's offices on the CareNet portal. Would it be possible to put our web master on a distribution list?"

Mr. Haynes replied to this e-mail on Thursday, August 2, 2001 as follows.

> "It should be doable. I'll check with my experts who will get back to you. Thanks for the thought..."

Subsequently, Mr. Haynes sent a further e-mail to a MCFD staff member dated Monday, August 13, 2001 as follows.

> "Carol, apparently no one followed up with this. Could one of your staff make a connection ?Thanks!!"

The full text of these e-mails is set out in Appendix D.14.

An e-mail was sent from Chris Haynes to Wayne Ironmonger on Monday, August 27, 2001 in which Mr. Haynes instructed Mr. Ironmonger to take the lead on the Systems Services Branch project review which included the MCFD relationship to CareNet. Included in Mr. Haynes' comments are the following.

> "Wayne, as part of the process for this(which I think you should take the lead on) could you ensure you find a way to include the service providers in the dialogue and process. Thanks."

Mr. Ironmonger replied to Chris Haynes in an e-mail dated Monday, August 27, 2001 which included the following comments.

> "I agree that we need to do this- it's really just a question of process and timing. I'll set up a time to discuss with you in the next week."

The full text of these e-mails is set out in Appendix D.17.

An e-mail from Doug Walls to Chris Haynes, dated Sunday, September 16, 2001, in which Mr. Walls requested that Mr. Haynes make some comments in respect of CareNet included Mr. Walls' comments as follows.

> "If I put some thought into a couple of things you might possibly include relative to CareNet in your message to the Fed Board on the 19th and in the Minister's message to the membership on the 20th. No promotion or anything like that. Would that be too presumptuous?"

The full text of this e-mail is set out in Appendix D.19.

Mr. Gord Butterfield told us that he had a meeting in mid-September 2001 with Chris Haynes and Les Foster to discuss CareNet charges wherein "Chris Haynes gave me very clear direction that we would not pay the full charges, and we would only contribute $50k subject to the completion of a written agreement." Mr. Butterfield also indicated that he sent e-mails to Doug Walls among others conveying this direction.

An e-mail from Gordon Butterfield to Doug Walls copied to Les Foster and Wayne Ironmonger among others dated Monday, September 24, 2001 indicated that Chris Haynes had provided direction in respect of the connection charges issues. Included in Mr. Butterfield's comments are the following.

> "We've had discussions with Chris Haynes regarding our relationship with CareNet, and have received the following direction:
>
> * The impending changes in the BC Government, specifically as they apply to MCF, leave us unsure of what the appropriate relationship should be. Nevertheless, we desire to work with CareNet as the changes unfold.
> * Wayne Ironmonger will be the lead contact for the overall business relationship. Wayne has spoken briefly with Cam Dore.
> * I will be the contact for issues relating to systems standards and services.
> * Our offer of contributing $50,000 towards CareNet's SpanBC charges for this fiscal still stands. We have no ability to contribute any further amounts this year.
> * Our ability to contribute any amount in the coming fiscal years is dependent on the continuing business need, and on our ability to fund it."

An e-mail from Doug Walls to Chris Haynes dated Monday, September 24, 2001 forwarded the above e-mail and included the following comments.

> "I will need Wayne to tell George Carson that he is working on a solution - otherwise, ITSD will begin trying to collect the funds they will be owed (which would be around $100k after the $50k credit is passed). To date, we have kept the CareNet Board in the loop in terms of the progress (and sometimes lack of it) but we haven't alerted them to any possibility of it being other than a complex relationship that needs to be sorted out."

A subsequent e-mail from Doug Walls to Chris Haynes dated Monday, September 24, 2001 included the following comments.

> "Treating it as a transition cost makes sense as it is the wrong time to make a long term commitment. This is behind him simply trying to put George Carson back to sleep by saying we working on it, we're making progress, be patient - we'll get it done somehow.
>
> No-one gets really excited about it because in the overall scheme of things it is a small amount and no-one is keen to trigger any kind of external conflict - so this would probably give us another couple of months - time for things to settle, be resolved and to get a productive dialogue going."

The full text of the above e-mails is set out in Appendix D.21.

An e-mail from Wayne Ironmonger to George Carson and Les Foster, and copied to Chris Haynes among others dated Friday, November 9, 2001 indicated Mr. Ironmonger's desire to discuss next steps with Mr. Foster and Mr. Haynes. Included in Mr. Ironmonger's comments is the following.

> "I would like to discuss next steps with you and the Deputy on Tuesday."

The full text of this e-mail is set out in Appendix D.24.

Mr. Ironmonger scheduled a meeting with Les Foster and Chris Haynes in respect of the CareNet/ITSD outstanding charges by way of an e-mail dated Thursday, November 15, 2001 which included the comment as follows.

> "Les and I need to get some time with Chris to discuss CareNet/ITSD billings."

The full text of this e-mail is set out in Appendix D.26. According to Mr. Haynes' electronic calendar, this meeting took place in Mr. Haynes' office on Tuesday, November 20, 2001 from 2:45 to 3:15 PM.

An e-mail from Doug Walls to Chris Haynes on Wednesday, December 5, 2001 is reflective of Mr. Walls' attempt to steer the process of finding a solution to the issue of the connection charges. Included in Mr. Walls' comments are the following.

> "...You can see from the chain of emails below that Brian is nervous about what Wayne has in mind for the meeting with the CareNet Exec (Bruce Hardy, Cam and Jordan are meeting with him) on Thursday afternoon. Bruce, Cam and Jordan are not expecting a difficult meeting - I have not geared them up for that at all. Brian is concerned that Wayne is for some reason resisting putting this to bed for the fiscal year - he knows the $400 k will now cover for the full period to March 31/2002 but Brian feels he is deliberately confusing "year end" between Dec 31 and Mar 31. I am reluctant to get you involved but I also don't want to create a tension where none need exist. Brian feels he understands the direction that things are going and the importance of this relationship with the agencies and their value in tackling ITSD on overall cost issues but just isn't there. Any suggestions?"

The full text of the e-mail is included in Appendix D.28.

An e-mail from Barbara Walman to Chris Haynes dated Monday, February 25, 2002 with the subject heading; "*tetra*" included the comments as follows.

> "Requesting $15,000 for network assistance with CareNet...are we interested?"

The full text of this e-mail is set out in Appendix D.33.

An e-mail from Wayne Ironmonger to Les Foster dated Saturday, March 23, 2002 indicated Mr. Ironmonger's attempt to set a meeting with Mr. Haynes with regard to a resolution of the CareNet connection fees issue. Included in Mr. Ironmonger's comments are the following.

> "Hi Les; Here are some notes to start the discussion on the resolution of the CARENET connection fees issue. Let's try to get some time with Chris on Monday to discuss this."

Les Foster replied to Wayne Ironmonger in an e-mail dated Saturday, March 23, 2002 which included the following sentence.

> "Once we get Chris' OK it should go to Exec or the 4 chairs at least."

This e-mail indicates that Mr. Foster and Mr. Ironmonger sought authorization from Mr. Haynes' on matters relating to the connection fees issue. The full text of the above e-mails is included in Appendix D.34.

An e-mail from Wayne Ironmonger to Susanna Francis of MSER dated Monday, March 25, 2002 with the subject heading; "*Tentative: CareNet Status*" included the following sentence.

> "Hi Susanna. I'm just on my way over to meet with the Deputy re: this issue. I'll give you a call as soon as I finish meeting with him."

The full text of this e-mail is set out in Appendix D.35.

According to Mr. Haynes' electronic calendar, this meeting took place in Mr. Haynes' office on Monday, March 25, 2002 with Les Foster, Wayne Ironmonger ad Chris Haynes in attendance.

An e-mail from Wayne Ironmonger to Susanna Francis dated Wednesday, March 27, 2002 provided reference to the meeting that Mr. Ironmonger had with Mr. Foster and Mr. Haynes in which approval of MCFD covering the existing and pending connection fees was granted by Mr. Foster and Mr. Haynes. Included in Mr. Ironmonger's comments are the following.

> "As I indicated to you yesterday, I will process any outstanding charges to the end of the 2001/02 fiscal year...
>
> Earlier this week I presented the following options and recommendation to our EFO and DM:
>
> 1. Continue to deal with the issue of connection fees for CARENET affiliated agencies as a separate issue. Within this option we could discontinue payment for existing agency connections, pay only for existing agency connections until a longer term resolution is found, or pay for existing and pending agency connection fees until a longer term resolution was found.
>
> 2. Resolve the issue of the CARENET connection fees within the context of a longer term global plan for building a secure network.
>
> Recommendation:
>
> Option 2. Proceed immediately to negotiate an agreement with CITS that would cover existing and pending connection fees in the context of the development of a global approach that would lead to the development of a cost effective secure network for all MCF governing

> authorities and agencies. MCF would, where possible, partner with other ministries (Health, Human Resources etc) on this approach.
>
> This recommendation was approved."

The full text of this e-mail is included in Appendix D.36.

Mr. Haynes told us he did not receive any further information that MCFD was paying for the ongoing connection charges after March 31, 2002.

We determined that Chris Haynes did receive further information regarding the ongoing connection charges after March 31, 2002 as is evidenced by the "*Estimates Briefing Note (FY 03-04)*" prepared by Allan Pollock in or around March 2003 which he informed us he provided to Chris Haynes and Gordon Hogg at the time. Mr. Pollock also confirmed that he was asked to brief the Minister and the Deputy Minister on the issue in the Minister's office. Neither Mr. Haynes nor Mr. Hogg took any specific action to deal with the ongoing payment of the connection charges by MCFD which had been going on since April 2002 without any written agreement or understanding in place. Included in the briefing note are the following comments.

> "The Ministry has provided seed funding to CareNet as follows:
>
> - CARE NET funding to Dec 31/02 totals $308,622.
> - Projecting this amount to end of fiscal the amount that we are planning to spend for this fiscal on CARENET is $411,492.
> - CARE NET has been restricted to a specific number of users between 28 and 31.
> - Connectivity for CARE NET providers is approximately $34,291 per month."

See Appendix E for the full text of this briefing note.

We also found that the CareNet Board of Directors meeting minutes dated June 25, 2002 state in section 5 "*MCFD Update*" that "*Chris Haynes, Deputy Minister, received an extended demonstration of the CARENET system.*" We have not confirmed if this demonstration actually took place, or what it entailed.

We concluded that the direct approval for MCFD's acceptance of the connection charges, after the initial $50,000 pursuant to the Memorandum of Understanding, came from Wayne Ironmonger, former Executive Director Electronic Services Delivery Division. However, we also concluded that Mr. Ironmonger's action was authorized by Les Foster, former Assistant Deputy Minister and Executive Financial Officer, and Chris Haynes, in his role as Deputy Minister of MCFD.

Doug Walls' Influence Regarding Connection Charges

Based on our interviews and review of e-mail correspondence, we determined that Mr. Walls attempted to influence key Province staff with regard to the issue of the connection charges. The previous sub-section of this report contains a number of communications between Doug Walls and Chris Haynes regarding the connection charges and CareNet. We note further examples of e-mail correspondence as follows.

An e-mail between MSER staff dated Tuesday, August 7, 2001 indicated that Mr. Walls made a phone call to a MSER staff member, Laura Lam, advising her that the issue of the connection charges had been resolved. Included in the e-mail were the following comments.

> "Laura Lam received a telephone call today from Doug Walls, CareNet. He advised Laura verbally that the matter of these charges has been concluded, and that MCF will be covering their Network charges."

Regardless of what Mr. Walls believed at the time, the matter had not been resolved according to MCFD staff.

The full text of this e-mail is set out in Appendix D.15.

An e-mail from Mr. George Carson to MCFD and MSER staff dated Tuesday, August 28, 2001 outlined Mr. Walls' involvement in the process. The entire text of this e-mail is as follows.

> "I spoke with Doug Walls from CareNet earlier today and enquired about the unpaid telecom charges in the amount of $116,676.06 as of July 31, 2001.

> He indicated that CareNet would not be paying the charges but that the Ministry had agreed in discussion shortly before Gord Butterfield went on vacation, to pay the CareNet bill.
>
> Besides Gord, Doug indicated Wayne Ironmonger, MCF Exec Director of Electronic Service Delivery was party to these discussions and verbal agreement.
>
> At this time I have indicated that this is not the impression I have been given by Gord in numerous previous conversations, but that ITSD would wait until Gord is back to hear what his view of the agreement is with regard to CareNet's bill.
>
> Could you please bring this to the attention of both Wayne and Gord at your earliest convenience."

We also determined that Mr. Walls represented to CareNet member agencies that MCFD would fund the ongoing connection charges even though no written agreement was signed.

An e-mail from Mr. Walls to CareNet member agencies and contractors dated Sunday, June 30, 2002 commented that MCFD had accepted the connection costs on an on-going basis. Mr. Walls' e-mail is as follows.

> "Good Morning,
>
> GOOD NEWS!
>
> All of you have outstanding requests for hookup to SPAN-BC or for an upgrade in your telecom service. It would now appear that the Ministry of Children and Family Development and the Ministry of Management Services have sorted out their relationship and the issues around CareNet Technology Society member service.
>
> Wayne Ironmonger, Executive Director and Chief Information Officer of the Ministry of Children and Family Development has sent out a notice to each of the RED's and Interim CEO's advising them of the decision to provide these services out of Victoria budgets and asking them to provide their support for the decision.
>
> I urge each of you to phone your RED and Interim CEO in each region you are providing service and let them know how important this is to

> you. Assuming everything goes as Wayne expects, ITQ's will be issued within a matter of a week or so and installation via Telus will follow.

The full text of this e-mail is set out in Appendix D.38.

5.4.6 Summary of Total Cost of CareNet Project

Based on our interviews and our review of documents obtained, we found there were three sources of funding available to support the operations of CareNet even though the funding did not necessarily flow directly through the Society.

We prepared a summary of our understanding of the total costs of the CareNet project incurred to date as follows.

Cost to the Province:	
Elimination of ITSD/CITS accounts receivable by journal voucher to MCFD	$ 537,180
Direct electronic billings from ITSD/CITS to MCFD	590,903
Total direct cost via ITSD/CITS connection charges	$1,128,083
Indirect cost via CareNet member agency funding	1,214,808
	$ 2,342,891
Cost to Howard Kettner and/or WestPro companies	899,204
Cost to contractors and creditors:	
Unpaid contractors and creditors of CareNet	114,977
Unpaid contractors and creditors of WestPro Solutions	419,776
Total Cost of CareNet Project	$ 3,776,848

We made inquiries regarding the ongoing value of the CareNet project and found the following.

- The member agencies received some value from the connections to SPAN BC until they were disconnected in February 2004.
- The project was incomplete due to lack of funding and therefore the developed product has no ongoing value.
- MCFD recognized some on-going value of the secure network connections for the service agencies and continued to pay for the connections until February 2004.
- The Statement of Affairs in the bankruptcy of CareNet attributes no value to the property (software licenses, software applications, and email infrastructure) of the Society.
- We understand that MCFD has undertaken a new project which would have made the CareNet project redundant in any event.

In the words of Wayne Ironmonger, who was given part responsibility for resolving the issue of connection charges, this was a "badly managed file" on the part of MCFD.

6.0 Other Findings

6.1 Discussion Paper on Community Living Services

In October 2001, the MCFD published a paper entitled, "*Discussion Paper on Community Living Services*" (the "Discussion Paper"). The introduction of the paper states its purpose as follows.

> "This Discussion Paper represents our evolving thinking on why change to community living services is necessary. It also contemplates our response to the challenges inherent in any change of this very large service delivery system. The paper considers key principles to guide the ministry through these changes — these key principles are discussed in the context of three major policy and service objectives:
>
> - Strengthen individuals, families and communities.
> - Reform service delivery.
> - Deliver on our obligations to Government.
>
> We welcome your comments."

The intent of the Discussion Paper was, according to Chris Haynes, to stimulate debate and not to set policy direction.

Development of the Discussion Paper

Mr. Haynes indicated to us that he originally provided instructions to Robin Syme to draft a Discussion Paper on Community Living Services. We understand that Ms. Paula Grant, Director of Adult Community Living Services, was assigned by Robin Syme to prepare the original draft paper. These instructions were provided to her during the summer of 2001.

Mr. Haynes indicated to us the original version of the paper authored by Ms. Grant "did not go far enough" and "the initial stuff we got from the ministry – Paula Grant – was fairly traditional – it wasn't going to make the change – tackle the issue of less money / more service". Therefore, Mr. Haynes asked Doug Walls and Ev Northup to review the paper prepared by Ms. Grant and to provide their feedback.

During the course of our review, we examined a number of e-mail messages that indicate that Doug Walls, Al Etmanski, Ev Northup, and Brian Berglund were involved in the re-drafting of the Discussion Paper. We confirmed this fact with Mr. Haynes. Mr. Northup was on contract with MCFD and the Discussion Paper was one of the tasks assigned to him. The other individuals did not have any form of official capacity with MCFD.

The following is an excerpt from an e-mail dated August 18, 2001 from Doug Walls to Mr. Haynes, Mr. Northup and Mr. Berglund. The full text of this e-mail can be found in Appendix D.16.

> "Beyond this, and while it is happening on the community front, as Brian has so rightly pointed out, we need to provide Chris with a couple of things:
>
> - a discussion paper on the parameters of approaching a discussion on IF and Community Governance with families, individuals, advocacy groups and service providers - this paper would be intended for internal distribution to represent Chris' thoughts as prompted by the draft given him by Paula and Robin
>
> - a "dog and pony show" that can be used by staff and others to use internally and with MLA's and Cabinet Ministers to explain what the hell we're talking about"

We also understand from our review of e-mail that a version of the Discussion Paper, authored by the group mentioned above, was circulated to MCFD for feedback on September 7, 2001. The e-mails also indicate that some suggestions provided by MCFD staff were incorporated into the paper. Below is an excerpt of an e-mail dated Sunday, September 23, 2001 from Doug Walls to Chris Haynes that demonstrates that Mr. Walls incorporated the suggestions of Ministry staff. The full text of the e-mail is found in Appendix D.20.

> "Chris,
>
> Here is a clean copy. I actually accepted many of the suggestions from staff. There were two that I had a hard time accommodating - one was Wayne M. and I'm not sure who the other was but whoever it was their intent was to sanitize the paper by taking out most of strongest challenges to MCFD thinking and staff. I did make some changes in response to concerns that the statements were too negative. There were also questions raised by Les as to the accuracy of some of the numbers in the background section - I fixed this by rounding and approximating or eliminating the numbers as they were not important."

Discussion of Ministry Staff with Doug Walls

During the course of our review of e-mails related to the Discussion Paper, we noted a dialogue between Chris Haynes and Doug Walls with respect to the performance of an MCFD employee. The following is an excerpt from an e-mail exchange on Tuesday, July 31, 2001 between Chris Haynes and Doug Walls where Mr. Walls asks whether the employee could be moved to a different position. The full text of the e-mail is found in Appendix D.7.

> "Any chance [name deleted] could be moved to another position.
> [Section 22]
>
> ."

On Tuesday, July 31, 2001, Mr. Haynes responds to Mr. Walls as follows.

> Doug, I have demonstrated that I am prepared to deal with my leadership issues and will continue to do so ([Section 22]).
>
> I think the issue is whether your group is prepared to deal with its' leadership issues !!!!

The text from an e-mail from Chris Haynes to Doug Walls on Wednesday, August 1, 2001, suggests that Mr. Haynes agrees with Doug

Walls suggestion to move the employee to another position. The text from this message is as follows.

> "Doug, I had no problem with the message. I agree, [name deleted]a and [name deleted] are on a burning platform and I will get to it. All I meant to say was 'what's good for the goose is good for the gander'!!!!. I hope you didn't take it personally it wasn't meant that way."

The full text of the e-mail is included in Appendix D.13.

We asked Mr. Haynes the meaning of the statement, *"[name deleted] and [name deleted] are on a burning platform and I will get to it."* He stated, "The Ministry was a burning platform – the old ideas were going to change – they are not going to stand – there was an old guard and things were going to change".

Mr. Haynes told us that he did not take any steps to remove the employee from the position. We asked him the reasons why he discussed the performance of the employee with Mr. Walls who had no official capacity with MCFD. Mr. Haynes indicated to us that Mr. Walls was not the only individual to provide him with feedback with respect to the performance of Ministry staff; he stated it was important for him to know how his staff was interacting with the wider sector.

Authorship of the Discussion Paper on Community Living Services

Like many government discussion papers, this paper was released without attributing it to specific authors. Nevertheless, there seemed to be some concern expressed by those involved as to perceived authorship.

In our interview with Doug Walls, we confirmed he was involved in the writing of the Discussion Paper. We also asked Gordon Hogg if he was aware of the authorship of the Discussion Paper. He indicated he believed the paper was written by Ministry staff.

The following e-mail excerpts indicate there appears to be an attempt to disguise who the author of the paper was. The full text of these e-mails is included in Appendix D.18.

In the following e-mail from Doug Walls to Chris Haynes dated Monday, September 3, 2001, Doug Walls suggests the Discussion Paper should not come from Chris Haynes.

> "Chris - this paper is written like you wrote it. We have to figure out where this comes from so you can position it right. It should not come from you."

A response from Chris Hayes to Doug Walls on September 3, 2001 suggests the author of the paper should be Paula Grant; however, Mr Haynes told us this was a reference to giving Ms. Grant the responsibility for collecting feedback.

> "Where should the paper come from? We could hang it on Paula and make her collect the responses. Could be David and Elaine."

Further comments from Chris Haynes to Doug Walls on September 3, 2001 suggest the Minister should be the author of the Discussion Paper.

> "We could send it out as the Ministers Paper with feedback going to David Young."

In a September 3, 2001 e-mail, Mr. Walls advises Mr. Haynes on how he believes the Discussion Paper should be positioned.

> "It depends a little on what you think of [Section 22]
>
> - if the former you might want to think of Elaine, David and Paula - [Section 22]
>
> - and think of it as coming out of the session tomorrow. So it would follow on tomorrow's session - maybe distributed on Thursday.
>
> As far as purpose I think it should be an internal document that at some point might be quietly and strategically leaked to get people buying into the opportunity. Right now I think it is most useful in getting the message out internally about how serious you are. [Section 22]
>
> ."

In the following e-mail from Doug Walls to Chris Haynes dated Sunday, September 23, 2001, Mr. Walls advises Mr. Haynes on the timing of the release of the Discussion Paper and how it will be received by the Premier and Ken Dobell.

> "I think the paper is pretty solid now and I re-read it from front to back to see if there were any inconsistencies with directions taken in the past two weeks since the draft was circulated - I did change a couple of things in this regard. It would be really good if this paper could be released by the Minister this coming week - I know it would help the service providers get their minds around some of the issues many of them are stumbling over."

The full text of the e-mail is included in Appendix D.20.

6.2 CLTSC Surplus Funds

During the course of our investigation, we noted CLTSC did not use the entire $450,000 grant from MCFD. The financial information provided by BCACL shows that $64,730 was not spent by CLTSC.

A letter from Elaine Murray to Claudia Semaniuk, President, BCACL, states that "any unused funds will be reimbursed by BCACL to MCFD no later than November 30, 2002. The unused funds of CLTSC remain in a trust bank account with the BCACL. As of February 28, 2004, the balance of the account was $64,596.28 and these funds have not been returned to MCFD.

We understand steps are currently being taken by MCFD to recover the funds from BCACL.

6.3 Autism RFP

From our discussions with Hon. Linda Reid and Robyn Syme, we understand that Doug Walls and Al Etmanski were involved in the development of an Autism RFP from MCFD during the period from late 2001 to the spring of 2002. As described in Section 5.3.1 of our report, Mr. Walls was brought to the attention of Ms. Reid by both Chris

Haynes and Al Etmanski. At the time, Mr. Walls was working at P.L.A.N. and was represented as a "community person for the parents".

We understand the RFP was cancelled due to a combination of the following two factors.

- Robin Syme indicated to us that during the development of the RFP, it was brought to her attention that a number of the potential proponents on the RFP were also CareNet member agencies and therefore there was a potential conflict of interest between the role of Mr. Walls in the RFP and his role with CareNet. When this conflict issue was identified, MCFD sought advice from Dave Collison at the BC Purchasing Commission. Mr. Collison advised MCFD that Mr. Walls was in a conflict of interest position.
- Ms. Reid indicated to us the RFP was cancelled because it was taking too long to complete and a decision was made in May 2002 to have MCFD develop the service plan for autism services in-house.

6.4 Health Benefits Trust

Concerns have been raised that Doug Walls was encouraging community living service providers to leave the Health Benefits Trust ("HBT"). We made enquiries in the course of our interviews of executive directors of CareNet member agencies and others and found that many had used other benefits providers prior to joining HBT. Other benefits providers included WestPro Benefits Inc. by which Doug Walls was employed from time to time as a contractor. We found in our review of the minutes of the CareNet board meetings that "*agencies, with CareNet's guidance and advice, have begun consideration of the issues and risks associated with a mass withdrawal from HBT*". Mr. Walls, as a contractor to WestPro Benefits Inc., was active in these discussions. We were unable to determine whether Mr. Walls gained any benefit from his stance on HBT, but we did conclude that his activity in this area was on behalf of the community living service providers, many of whom were member agencies of CareNet.

7.0 Recommendations

In the course of our investigation we identified a number of problems and issues as follows.

- A lack of due diligence and/or background checks on prospective contractors.
- A lack of adherence to principles of sound contract management as set out in the Province's Core Policy and Procedures Manual.
- Disclosure of government information to non-government persons without observing due process.
- Provision of government support for a private sector initiative without a contract or agreement in place.
- Potential loss of independence and objectivity as a result of not maintaining appropriate distance and separation from outside influences.

We make the following recommendations to deal with these problems and issues.

Recommendation 1

That, where practical and depending on the size of contracts, the Province undertake measures to conduct appropriate due diligence on prospective contractors, including:

- credit and background checks on both signatories and the individuals performing the work;
- requirement for business references;
- active checking with referees; and
- identification of shareholders, directors and officers of companies.

Recommendation 2

That the Province ensure contracts or agreements are in place prior to any funding provision for private sector initiatives or enterprises in compliance with policy.

Recommendation 3

That the Province clarify whether the Financial Administration Act is applicable to government sponsored committees, interim and permanent authorities, and other recipients of government grants.

Recommendation 4

That the Province ensure that the dissemination of government information to persons outside of government is restricted to Freedom of Information and Protection of Privacy requests and officially sanctioned releases.

Recommendation 5

That the Province ensure that senior government officials observe appropriate independence and objectivity by maintaining proper distance and separation from influences outside government.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Per: Robert J. Sandy, CA•IFA, CA•CBV
Senior Vice-President

Per: Ronald H. Parks, FCA, CA•IFA
Director

Investigation of CareNet Technology Society and the Provincial Government's Dealings with Douglas F. Walls

Ministry of Human Resources
Contracts with The Northern Social Policy Group Inc.
April 1, 1999 to March 31, 2000

Date	Invoice #	Period Covered	Fees	Expenses	Total	Payment
Apr-30-99		April 1 - 30, 1999	$ 7,206.79	1,277.45	8,484.24	$ 8,484.24
May-31-99		May 1 - 31, 1999	4,383.57		4,383.57	
Jun-30-99		June 1 - 30, 1999	11,663.21		11,663.21	16,046.78
Jul-31-04	1202	July 1 - 31, 1999	6,435.71	3,582.71	10,018.42	10,018.42
Aug-31-99	1218	August 1 - 31, 1999	6,994.24	1,821.20	8,815.44	8,815.44
Jan-05-00	1231	September 1 - 30, 1999	3,667.14	1,374.92	5,042.06	
Jan-05-00	1236	October 1 - 31, 1999	7,285.71	2,202.80	9,488.51	14,530.57
Feb-27-00	1237	November 1 - 30, 1999	4,905.71	960.44	5,866.15	5,866.15
Mar-31-00	1258	January 1 - 31, 2000	2,665.36	647.54	3,312.90	
Mar-31-00	1259	February 1 - 29, 2000	1,493.57	460.98	1,954.55	
Mar-31-00	1260	March 1 - 31, 2000	1,754.64	634.81	2,389.45	7,656.90
			$ 58,455.65	12,962.85	71,418.50	$ 71,418.50
		Contracted Amount				$ 70,000.00
		Overpayment				$ 1,418.50

SCHEDULE 1

Investigation of CareNet Technology Society and the Provincial Government's Dealings with Douglas F. Walls

Community Living Transition Steering Committee
Contract with The Northern Social Policy Group Inc.
June 2002 to October 2002

Invoice Date	Invoice #	Dates Worked	Total Fees	Expenses	GST	Total
Jun-30-02	1377	May 15 - June 30, 2002	$ 820.00		57.40	$ 877.40
Jun-30-02	1372	June 1 - June 30, 2002	4,730.00	207.06	331.10	5,268.16
Jun-30-02	1373	May 15 - June 30, 2002	2,455.00		171.85	2,626.85
Jun-30-02	1374	May 15 - June 30, 2002	3,650.00		255.50	3,905.50
Jun-30-02	1375	May 15 - June 30, 2002	1,250.00		87.50	1,337.50
Jun-30-02	1376	May 15 - June 30, 2002	845.00		59.15	904.15
Jul-31-02	1381	July 1 - 31, 2002	12,665.00	220.90	886.55	13,772.45
Jul-31-02	1383	July 1 - 31, 2002	3,795.00		265.65	4,060.65
Aug-31-02	1387	Aug 1 - 31, 2002	445.00		31.15	476.15
Aug-31-02	1389	Aug 1 - 31, 2002	8,915.00	265.08	624.05	9,804.13
Aug-31-02	1390	Aug 1 - 31, 2002	1,360.00		95.20	1,455.20
Sep-30-02	1396	Sept 1 - 30, 2002	7,480.00		523.60	8,003.60
Sep-30-02	1397	Sept 1 - 30, 2002	5,980.00	305.33	418.60	6,703.93
Oct-31-02	1401	Oct 1 - 31, 2002	9,475.00	191.72	663.25	10,329.97
Total			$ 63,865.00	1,190.09	4,470.55	$ 69,525.64
Contract			$ 37,800.00	2,780.00	2,646.00	$ 43,226.00
Contract Ammendment			7,000.00	900.00	490.00	8,390.00
			$ 44,800.00	3,680.00	3,136.00	$ 51,616.00
Billings in excess of Contract			$ 19,065.00	(2,489.91)	1,334.55	$ 17,909.64

Actual Amounts paid		
Jul-17-02	130	$ 14,919.56
Aug-16-02	133	17,833.10
Sep-23-02	148	11,735.48
Dec-06-02	174	7,127.86
Dec-11-02	178	17,909.04
Total		$ 69,525.04

SCHEDULE 2

Investigation of CareNet Technology Society and the Provincial Government's Dealings with Douglas F. Walls

Interim Authority for Community Living British Columbia
Social Policy Group SPG Inc.
Summary of Billings
November 2002 to January 2004

Inv.Date	Invoice#	Period Covered	# of Days	Rate per Day	Professional Fees	Expenses	Total Invoice	Maximum Billable Days	Excess Billable Days	Excess Billing
Nov-30-02	2102	Nov.1 -13, 2002	9.0	$ 550	$ 4,950.00	$ -	$ 4,950.00	9.0	-	$ -
Nov-30-02	2103	Nov.14 - 30, 2002	12.0	$ 550	6,600.00	-	6,600.00	12.0	-	-
Dec-31-02	2104	Dec.1 - 31, 2002	22.0	$ 550	12,100.00	96.00	12,196.00	22.0	-	-
Jan-31-03	2105	Jan.1-31, 2003	23.0	$ 550	12,650.00	94.00	12,744.00	23.0	-	-
Feb-28-03	2108	Feb.1 - 28, 2003	23.0	$ 550	12,650.00	2,193.36	14,843.36	20.0	3.00	1,650.00
Mar-31-03	2110	Mar.1-31, 2003	25.0	$ 550	13,750.00	1,144.86	14,894.86	21.0	4.00	2,200.00
			114.0		$ 62,700.00	$ 3,528.22	$ 66,228.22	107.00	7.00	$ 3,850.00
Apr-30-03	2112	Apr.1 -30, 2003	29.0	$ 550	$ 15,950.00	$ 1,003.24	$ 16,953.24	22.0	7.00	$ 3,850.00
May-31-03	2114	May 1 - 31, 2003	24.0	$ 550	13,200.00	783.42	13,983.42	22.0	2.00	1,100.00
Jun-30-03	2116	Jun.1 - 30, 2003	18.5	$ 550	10,175.00	651.58	10,826.58	21.0	-	-
Jul-31-03	2118	Jul. 1-31, 2003	27.5	$ 550	15,125.00	792.84	15,917.84	23.0	4.50	2,475.00
Aug-31-03	2120	Aug. 1-31, 2003	24.5	$ 550	13,475.00	630.30	14,105.30	21.0	3.50	1,925.00
Sep-30-03	2122	Sep. 1-30, 2003	27.7	$ 550	15,235.00	876.86	16,111.86	22.0	5.70	3,135.00
Oct-31-03	2124	Oct.1-31, 2003	29.5	$ 550	16,225.00	1,327.12	17,552.12	23.0	6.50	3,575.00
Nov-30-03	2126	Nov. 1- 30, 2003	30.0	$ 550	16,500.00	1,515.20	18,015.20	20.0	10.00	5,500.00
Dec-31-03	2128	Dec.1 - 31, 2003	21.9	$ 550	12,045.00	862.14	12,907.14	23.0	-	-
Jan-16-04	2130	Jan. 1-16, 2004	14.0	$ 550	7,700.00	397.14	8,097.14	12.0	2.00	1,100.00
Jan-16-04	2130	Jan. 17/18, 2004	2.0	$ 550	1,100.00	-	1,100.00	2.0	-	-
Jan-16-04	2130	Jan. 19-31, 2004	3.0	$ 550	1,650.00	-	1,650.00	3.0	-	-
			251.6		138,380.00	8,839.84	147,219.84	214.0	41.2	22,660.00
Total			365.6		$ 201,080.00	$ 12,368.06	$ 213,448.06	321.0	48.2	$ 26,510.00

SCHEDULE 3

Appendix A

Glossary of Terms and Abbreviations

ADM	Assistant Deputy Minister
BCACL	British Columbia Association for Community Living
CareNet or Society	CareNet Technology Society
CEO	Chief Executive Officer
CIO	Chief Information Officer
CITS	Common Information Technology Services
CLC	Community Living Coalition
CLTSC or TSC	Community Living Transition Steering Committee
DM	Deputy Minister
EFO	Executive Financial Officer
GST	Goods and Services Tax
HBT	Health Benefits Trust
HRDC	Human Resources Development Canada
IAAS	Internal Audit and Advisory Services
IACLBC or IA	Interim Authority for Community Living British Columbia
ITQ	Invitation to Quote
ITSD	Information Technology Services Division
MCFD or the Ministry	Ministry of Children and Family Development
MHR	Ministry of Human Resources
MOU	Memorandum of Understanding
MSDES	Ministry of Social Development and Economic Security
MSER	Ministry of Management Services
NSPG	The Northern Social Policy Group, Inc.
P.L.A.N.	Planned Lifetime Advocacy Network
PwC	PricewaterhouseCoopers LLP
RED	Regional Executive Director
RFP	Request for Proposal
Social Policy Group	Social Policy Group SPG Inc.
SPAN/BC	Shared Provincial Access Network/BC
WestPro Solutions	WestPro NGO Web Technology Inc. WestPro NGO Web Technologies Inc. WestPro Solutions Inc. CareNet Systems Inc.

Appendix B

Doug Walls – Resume Excerpt (reference section 3.5)

- Has contracted with private, civic and public sector organizations, non-profit community organizations and service providers in the areas of communication, strategic planning, community development and project management

- Volunteered with various ministries of the provincial government for more than 20 years on various projects including research and policy development and disability and income assistance, community development, service contracting, client and family service and support, high level social policy development including development of legislation and regulation, strategic planning and policy around supporting children and adults with significant disabilities within their home communities

- Worked with the Ministry of Social Development and Economic Security [now Human Resources] in 1998/99 in various policy and practice areas including labour market attachment programs, income assistance diversion programs, developing community support for alternative means of delivering income assistance, supervising the development of pilot projects to test alternative means, providing support to contractors having trouble fulfilling their contractual obligations and income assistance policy and legislative and regulatory reform

- Experience working as a volunteer with senior government staff in Social Services [subsequently Children and Families and now Children and Family Development], Health [now Health Services], and Social Development and Economic Security [now Human Resources]

    - Helped negotiate settlement of adult, non-ambulatory community living contracts with Premier's Principal Secretary and Deputy

Minister of Health which resolved the blockade of Tranquille and stopped the transfer of residents to Glendale (1984/85)

- Appointed by the Premier as the non-government member of the GAIN Review Task Force which resulted in expansion of enhanced earning eligibility, increased asset exemptions and discretionary spending from trusts for disabled children (1987/88)
- Chair of a four person committee struck by the Ministers of Health and Social Services to resolve natural and adopting parent concerns over care costs and support of infants and children with multiple disabilities which resulted in the creation of the At Home Program and a moratorium on placements of children in extended care wards (1990)
- Working with various provincial government ministries including Education, Skills and Training and Social Services and the Regional Director of Human Resources Development Canada, to negotiate community-based support services for adults with a disability seeking employment on the basis of a joint Federal-Provincial Pilot Project (1990/91)
- Established a consortium of private and non-profit companies and negotiated the establishment of interventionist services to prevent long term dependency on income assistance (1995/97)
- Primary advisor on project to delegate ministry authority over income assistance for people with disabilities to community agencies (1998/99)
- Appointed to Advisory Working Group on Employment Issues for People with Disabilities by the Labour Market Attachment Branch (1999/2000)
- Research and policy advice on individualized funding models to the Minister of Social Development and Economic Security (1998/2000)

    - Project oversight of Delegated Agency Pilot Project for MSDES (1999-2000)
    - Support to Canadian National Institute for the Blind [CNIB] in respect of provincial and regional services and related funding issues (1999/2000)
- Skilled in coalition development, strategic issue planning and project management
    - Organized and worked with community coalition to build a case for government support of families with children with severe disabilities living at home – led to creation of the At Home Program introduced by the provincial government (1988 – 1989)
    - Chaired Trustee/Senior Management/Community Task Force to restructure administrative services in School District No. 57 – over $1 million in centralized costs eliminated and savings redirected to schools including elimination of twelve of thirty middle management positions (1993 – 1994)
    - Organized and led consortium of private and non-profit community service providers to create and implement a diversion program to move welfare applicants from income assistance to jobs – led to MHR/MSDES/MAETT/HRDC pilot project and then to formal "early intervention" programs (1996)
    - Support to community coalition on individualized funding (Transforming Disability Services) with the objective of rebuilding government services based on individual/family entitlement (1999 – 2000)
    - Primary consultant to University of Northern British Columbia in establishing a private (university owned) company to assume all non-educational services on the first project – the privatization of all parking services and facilities (1999 – 2000)
    - Assisted community service agencies contracted to provide service to the Ministry of Children and Families [now Children and Family Development] to work with government to establish

secure communication capacity to protect personal information – led to the establishment of the CareNet Technology Society dedicated to improving communication and information management practices amongst government community service contractors

  - Support to the Individualized Funding Project 1998 – 2001
  - Support to community service agencies impacted by the Munroe Settlement Agreement wishing to leave Healthcare Benefits Trust [HBT] to secure insured benefits including securing labour relations advice related to grievances filed under Collective Agreements by both CUPE and the BCGEU and legal advice related to the attempts by HBT to collect unfunded liabilities 2001 – 2002
  - Support to the Individualized Funding Family Coalition 1999 – 2002
  - Support to the Community Living Coalition 2001 – 2003
- Experienced in collective bargaining and labour relations issues in the public and private sector
  - Fourteen years as chief spokesperson and negotiator for three private large companies in negotiations with IWA-Canada Local 1-424, successfully concluding five collective agreements (1983 – 1997)
  - extensive labour relations experience in public sector with BCTF, CUPE, UBCJA, PEA – was trustee responsible for teacher bargaining when negotiations were conducted locally (1989 - 1996) – involved in three sets if contract negotiations and ongoing contract management and labour relations
  - responsible for negotiations with CUPE with respect to community resources for Roman Catholic Episcopal Corporation Community Services (1998-2000)

- Experience in designing and writing proposals, concept documents and discussion papers
    - designed and authored proposals to government ministries on a broad range of topics (e.g. funding proposals, project outlines, etc.)
    - researched and written discussion papers on policy issues (e.g. federal/provincial cost sharing arrangements, individualized funding, etc.)
    - researched and written analyses of policy and regulatory conflict of various government levels and inter-ministerial (e.g. taxation regulation, direct payment to family members as caregivers, GST implications of direct payments, individualized funding and income tax regulations, etc.)
    - researched and designed various implementation models for government and private sector projects (e.g. intervention/diversion programs, individualized funding models, technology-based partnerships, EFT/EBT payment and transfer models, etc.)
- Experience in many aspects of public relations including media involvement
    - assisted government agencies, non-profit societies and corporations in public relations strategies (e.g. MSDES, MHR, Law Foundation Board of Governors, BCACL, School District No. 57, etc.)
    - prepared press releases, background briefing documents and support Q&A's for various organizations
    - prepared documents and provided advice with respect to internal communication with staff and clients for both profit and non-profit sector (e.g. MSDES, MHR, VanCity, PLAN, Picasso, School District No. 57, Westpro Systems, RCEC, etc.)

- prepared external communications with clients of both private and public sector organizations."

Appendix C

Computer Forensic Examination (reference section 4.3)

Background

On February 19th, 2004, we imaged five computer hard drives at the Office of the Comptroller General, Ministry of Finance, located at 617 Government Street, Victoria, BC. The following is a list of the hard drives we imaged and examined.

Hard drive serial number	Computer
[Section 15]	CHaynes_L1
[Section 15]	Desktop1_D1
[Section 15]	VHamilton_D1
[Section 15]	VHamilton_L1
[Section 15]	GHogg_L1

On February 20th, 2004 we imaged two computer hard drives at the constituency office of Gordon Hogg, MLA, located in White Rock, BC. The following is a list of the hard drives we imaged and examined.

Hard drive serial number	Computer
[Section 15]	DThompson_D1
[Section 15]	VLogan_D1

We performed identical forensic investigative procedures on all seven computers. We conducted a search for standard e-mail files, such as Microsoft Outlook or Microsoft Outlook Express, on each of the drives. As the Province utilizes a Microsoft Exchange Server for e-mail, we would not expect to find e-mail files residing on the hard drives. Therefore, unless otherwise specified, we did not recover any e-mail messages from the computer systems.

We conducted a keyword search of each hard drive. The purpose of the keyword search was to extract any files or file fragments which may contain information relevant to our investigation. The following are the keywords we searched on each hard drive.

- CareNet
- Doug Walls
- Westpro
- Interim Authority
- Gordon Hogg
- Health Benefits Trust
- Gordon Campbell
- Jordan Thurston
- HBT
- Chris Haynes

Detailed Findings of Hard Drive Analysis

GHogg_L1

The notebook computer identified as GHogg_L1 is the notebook computer used by Gordon Hogg until he resigned as Minister of MCFD in January 2004. Our review of the hard drive indicates Mr. Hogg was not a frequent computer user. We did not find large amounts of file activity on the hard drive.

Our search of the hard drive did not provide any results from our keyword search.

There were no significant findings resulting from our examination of Mr. Hogg's computer.

DThompson _D1

The hard drive identified as DThompson_D1 is the desktop computer of Ms. Diane Thompson, one of the two executive assistants at Mr. Hogg's constituency office.

Although Ms. Thompson's computer contained multiple user profiles, the entire hard drive was examined.

A large number of MS Office files, notably Word and Excel documents, are present on the hard drive. The content of the MS Office files residing on the hard drive were not relevant to our investigation.

We found no information on this computer that was relevant to our investigation .

Desktop_D1

The computer labelled as Desktop_D1 is the desktop computer that was utilized by Mr. Chris Haynes.

In our search results, we found 93 instances of the keyword "Westpro". The majority of the occurrences were found in unallocated clusters and in the Blackberry software synchronization database. Our search results of the keyword "WestPro" are associated with appointment reminders between Mr. Haynes, Mr. Walls and other government officials.

A number of instances of the key word "WestPro" were also identified in e-mail messages sent to and from Mr. Haynes' Blackberry. Mr. Haynes' responses did not provide detailed information.

We found three sets of Microsoft Outlook e-mail archive files on the hard drive. Only two of the archives contained e-mail messages. The e-mail messages date from October 23, 2002 to December 16th, 2002. The content of the e-mail messages is varied, but the messages relate to Mr. Haynes position in MCFD. We did not find references to CareNet or the Interim Authority in the e-mail archives.

CHaynes_L1

This notebook computer was used by Mr. Chris Haynes. The computer did not contain large amounts of file activity in contrast to Mr. Haynes desktop computer.

Our search of the hard drive for keywords did not reveal any significant text fragments or files. There are a series of text fragments in the unallocated space on the hard drive all relating to meetings or appointments.

We found no information on this computer that was relevant to our investigation.

VHamilton _D1

This hard drive was the desktop computer utilized by Ms. Valerie Hamilton, Ministerial Assistant to Mr. Hogg.

Our keyword search provided several results with regards to scheduled appointments with Mr. Hogg. None of the meetings were identified as CareNet meetings.

We found no information on this computer that was relevant to our investigation.

VHamilton_L1

This hard drive is the notebook computer used by Ms. Hamilton.

Our keyword search results found a significant number of hits for the keywords "Doug Walls", "Interim Authority", "Westpro", and "CareNet". Many of the keywords were found in e-mail messages from the Blackberry synchronization program/database.

The keywords "Gordon Hogg" and "Gordon Campbell" returned a large number of results. The results were concentrated in the unallocated clusters, HTML webpage fragments and e-mail messages from the Blackberry synchronization database. The majority of the results were appointment reminders, newspaper articles, interview minutes, and governmental press releases.

We found four significant text fragments from the keyword search "CareNet". The text fragments are e-mails regarding inquiries made by reporter [Section 22] to Carol Carman in December 2003.

VLogan_D1

This is an image of Ms. Verna Logan's desktop computer, an executive assistant at Mr. Hogg's constituency office.

Ms. Logan's computer contains a significant number of MS Office files; 1,818 MS Word and 288 MS Excel files. We did not find an abundance of deleted files on the hard drive. The deleted MS Office files on the hard drive were not relevant to our investigation.

Our review of the hard drive did not reveal information relevant to our investigation.

Appendix D.1

E-mail: November 24th, 27th, 28th and 29th, 2000 (reference section 5.4.5)

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
Sent: Friday November 24, 2000 5:47 PM
To: Kerin, Theresa MCF:EX
Subject: A Quick Update

Good Afternoon Theresa,

I'm just heading out the door for the weekend but thought I would drop you a quick note on a couple of items because it seems like awhile since we've talked.

This week the BCACL Executive Committee approved Laney's appointment to the CareNet Board and she will officially become a Director at the next meeting which is December 1st. Everyone feels very good about this because it eliminates concerns around competing interests and assures that BCACL members can join CareNet with confidence.

Chris Haynes said that Mike Corbeil has told him that he is interested in looking at a MOU with CareNet in a fashion similar to MCF and hopefully with some degree of joint cooperation. Chris wondered if I had the chance to talk to you about talking to Mike - I remembered that it was at the very end of the "less than our best" meeting on the 15th. If you have a chance, I think there are significant parallels to agency and ministry needs and there is likely room and opportunity for cooperation. Chris said to feel free to use his name in reference to the presentations that were made at the meeting three weeks ago in hopes that Mike would ask him to pursue it. If you could find the opportunity to mention it to Mike it would be greatly appreciated by everyone at CareNet.

I understand that Gord's move was a bit of a challenge but things are settling down a bit now. Brian and he are meeting on Monday morning - please let me know if there are any issues that arise out of this meeting.

Hope everything is going well - have a great weekend.

Cheers, Doug

-----Original Message-----
From: "Kerin, Theresa MCF:EX" <Theresa.Kerin@gems9.gov.bc.ca>
To: "'Doug Walls'" <DougWalls@SocialPolicyGroup.com>
Sent: Monday, November 27, 2000 2:48 PM
Subject: RE: A Quick Update

Hi Doug,

Thank you for your note. I will Email Chris about interest at MSDES in a MOU with CareNet. Do you know if Chris has raised it with Mike Corbeil? Gord and Brian met this morning. I think Gord is following with an Email to Brian. Please let me know if there are any issues of concern coming out of the meeting that you and I should discuss. Do you know if Laney will continue to represent community living agencies at PTIM? If would help if there was someone from a CareNet agency represented on PTIM, particularly in relation to connectivity issues.

Hope all is well with you.

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
To: Kerin, Theresa MCF:EX
Sent: Tuesday November 28, 2000 10:44 AM
Subject: Re: A Quick Update

Good Morning Theresa,

Good to hear from you.

Re: MSDES

As I understand it Mike asked Chris about whether they should be doing anything with CareNet - I don't think Chris knows what gave rise to the question - Mike expressed interest in doing something "co-operatively" with you. Chris felt that if you called or emailed Mike, and in some way indicated a similar interest from your perspective and also said that Chris had raised it with you and you would like to work with Chris to see what made sense, Mike would likely turn it over to Chris to proceed.

Re: Meeting with Gord

I talked with Brian briefly after his meeting with Gord yesterday morning. It was pretty clear that Gord's move had not gone overly well and had really thrown off his work plan for last week. Apparently he was not able to do anything on the pricing but was able to confirm that things are proceeding and Brian did provide him with the updated schedule from ITSD. Brian also noted that Marie Graf and a secretary attended the meeting and notes were taken with a commitment to circulating them.

Re: PTIM

Brian said that there was discussion at the meeting concerning the PTIM process in that there was a preference for an endorsement from the "entire sector" with respect to connectivity to SPAN-BC. It probably goes without saying that getting the "entire sector", no matter how defined, to agree on one specific thing and whether or not the PTIM process will be perceived as that kind of endorsement, are real challenges. Endorsement from the Community Living sector (as BCACL is now solidly on board) and even Child/Family services (Ian is asking the Federation Board to block out time in their January meeting for a comprehensive discussion on CareNet and we now have several CF agencies involved) is certainly achievable, beyond that is something we will have to work at. I will do whatever I can to encourage Laney to continue as part of the process and will talk to the Board on Friday about involvement in a formal way with PTIM. Do you have any suggestions as to who might be a good choice given the dynamics - I was thinking that Jack might be prepared to come back and would at least have the benefit of his earlier involvement. Would you formally invite someone from the CareNet Board?

Let me know how you make out with Mike and Chris - besides helping bring consensus at the community level, it will probably help on the ITSA/ITSD/TB side of things as well.

Thanks for all your support on these issues Theresa - I know how challenging steering something like this through the system can be - the Board members appreciate your efforts and your commitment to making things work for them as well.

Cheers, Doug

-----Original Message-----
From: "Kerin, Theresa MCF:EX" <Theresa.Kerin@gems9.gov.bc.ca>
To: "'Doug Walls'" <DougWalls@SocialPolicyGroup.com>
Sent: Tuesday, November 28, 2000 11:53 AM
Subject: RE: A Quick Update

Hi Doug,

I wanted to get back to you on a couple of issues. In terms of PTIM representation my sense is that Laney is not particularly comfortable with IT issues so the community living sector may want to consider whether Jack would be willing to return or whether another ED would be willing to serve.

I would see that person representing the community living sector. If this person were also a member of the CareNet board that would provide a good link between PTIM and CareNet. This will be important as we proceed because all decisions we make with respective to future directions need to take into account the whole sector. Secondly I agree that sector wide decision on connectivity will be difficult but the Ministry needs to consult with the sector in the form of PTIM to see what support there is for proceeding in a particular direction.

The Ministry would not expect sector wide sign off. Furthermore there are ways of proceeding that would allow agencies to choose to participate or not. We need to look at various models of connectivity and the costs and we need to do this with the sector.

I hope this is useful Doug. Please let me know if I can shed any more light on these issues.

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
To: Kerin, Theresa MCF:EX
Sent: Wednesday November 29, 2000 9:40 AM
Subject: Re: A Quick Update

Good Morning Theresa,

Sorry to take so long in responding - I had meetings back-to-back yesterday afternoon and didn't get done until after eight.

I am reluctant to suggest to Laney in even a gentle way that the representation for the community living sector be combined with representation from CareNet. Although we now have BCACL's endorsement and full participation, they have nearly 100 members in the community living sector and although over half in terms of $$$ and fte's are CareNet members or in various stages of Board approval etc., the majority, from a simple numbers perspective, are not. Secondly, we have made it clear to everyone that the CareNet Technology Society is strictly a technology provider and is not an advocacy or lobbying group for the community living or any other sector. I do agree with you that Laney is a little uncomfortable with the PTIM table because of her lack of grounding in technology issues but I wouldn't necessarily conclude that she would seek an alternate representative - in fact, I have no idea what BCACL is planning with respect to future involvement in PTIM.

If you are interested in having a CareNet presence I think the Board would respond positively but I'm not even sure of that. Obviously I would do my best to encourage participation and cooperation. For this reason, it would make things a lot easier at my end if you were to formally or informally extend an invitation. If you are considering this it could be done as informally as simply emailing or calling Cam. I think we would both then encourage Jack to agree to rejoin the table.

I agree completely with your comments about connectivity both with respect to sector-wide sign off and the ability to opt in or out. We have always been concious of the non-exclusive nature of any relationship we have or will have with government and expect that there would be a set of criteria and a protocol established that would become the standard that would have to be met for connectivity.

If I can be of any help whatsoever, please call on me.

Warmest regards,

Doug

Appendix D.2

E-mail: May 4th, 2001 **(reference section 5.4.5)**

-----Original Message-----
From: "Haynes, Chris SDES:EX" <Chris.Haynes@gems1.gov.bc.ca>
To: <Kosta.Chatzispiros@compaq.com>
Cc: <DougWalls@WestProWeb.com>; <DougWalls@SocialPolicyGroup.com>
Sent: Friday, May 04, 2001 9:56 AM
Subject: e business strategy.

Kosta, many thanks for your assistance with the visioning workshop. I am really pleased to see how the work is progressing. ***In terms of the future and future possibilities I wanted to introduce you by way of this e mail to CareNet. CareNet is developing a network of agency connections second to none in the Province. I note that a # of key technology firms have formed key strategic partnerships with CareNet. Doug Walls has provided the insight and leadership to make this happen.***

By way of this note I am wondering if COMPAQ would be interested in at least a briefing on CareNet along with the West Pro connection. My feeling is that any technology firm that does business with government over the next 4 years in the social service area will need to factor in the significant relationship that CareNet has developed with the third sector.

I have a sole and single motivation for doing this as follows. My relationship with Doug Walls spans many decades, he is a dedicated person of integrity committed to work in the social service/technology area I have no hesitation in saying that you would find value in a meeting with him. Similarly in my relationship with you, Kosta, over the last few years I have found you to be driven by public value and values as equally as private enterprise. I, therefore, cannot help but think that you would both find a meeting of mutual significance. Doug's e mail is as above and his phone # at West Pro is 604-541-4361. I realise that this memo is somewhat presumptious of me, and in such regard please feel no obligation to follow up on this suggestion.

Chris Haynes
Assistant Deputy Minister
Employment & Benefits Division
Ministry of Social Development & Economic Security
(250) 387-6905

-----Original Message-----
From: Doug Walls [mailto:DougWalls@SocialPolicyGroup.com]
Sent: Friday, May 4, 2001 10:03 AM
To: Haynes, Chris SDES:EX
Subject: Re: e business strategy.

Wow, can I meet me? Thanks - with this kind of introduction, if they have any interest at all we will have an enormous head start that we could never have managed in even a half-assed way ourselves.

-----Original Message-----
From: "Haynes, Chris SDES:EX" <Chris.Haynes@gems1.gov.bc.ca>
To: "'Doug Walls'" <DougWalls@SocialPolicyGroup.com>
Sent: Friday, May 04, 2001 2:57 PM
Subject: RE: e business strategy.

and Compaq business is only based on 50% selling PCs. the rest is systems support, integration etc. Talked to Gord and Ruth....didn't get on to CareNet... [Section 22].

I'll be with him again next week so we'll get on to CareNet.

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
Sent: Friday, May 04, 2001 3:23 PM
To: Haynes, Chris SDES:EX
Subject: Re: e business strategy.
Attachments: Word document – Letter to Theresa Kerin – 04 23 2001.doc (33KB)

Chris,

Kosta called and I returned his call - I left a voice mail message for him and sent him an email that I would get in touch with him as soon as Sharon and I got back on the 14th. He sounds like a pretty nice guy from his voice mail message. I think you and Barb actually introduced me to him somewhere - perhaps at the sesssion in Kelowna last year?

Maybe Gord might be honest with Ruth if he's having a rough time with Theresa. I told you I would send you a copy of the letter we sent to her. This is in response to her offer of $50,000 for the full fiscal year when she knows that the costs coming out of ITSD are approx $20k per month. Theresa is trying to be tough with CareNet and everyone else is encouraging us (Gord, ITSD, ISTA, OPPC, Health). I hope our letter isn't what set Theresa on Gord.

Have a great weekend - I'm on email next week while we're away. Say Hi! to Ev if you stop for one tonight. Brian was talking about asking you about having Wayne Ironmonger (who has also been a strong CareNet supporter) stop by for a beer one evening - he thought it would do Wayne good to know there are some really smart people still left in government. Wayne has impressed me - made some very honest comments - speaks incredibly highly of you (not unusual though - everyone does).

Cheers, Doug

Appendix D.3

E-mail: May 15th, 16th and 18th, 2001 (reference section 5.3.1)

-----Original Message-----
From: Doug Walls [mailto:DWalls@WestProWeb.com]
Sent: Tuesday, May 15, 2001 5:01 PM
To: Coast Foundation - Darrell Burnham
Cc: darrell@mail.coastfoundation.com
Subject: VRS Contract

Darrell,

The VRS contract you mentioned . . . how much is it for and which MSDES Regional Office holds it?

Doug

-----Original Message-----
From: "Darrell Burnham" <darrell@coastfoundation.com>
To: "Doug Walls" <dwalls@westproweb.com>
Sent: Wednesday, May 16, 2001 11:23 AM
Subject: RE: VRS Contract

Doug the annualised amount is $140,000, though we've been working on extensions for the past year or so. The latest is $35,000 through to Sept 30th. The office we work with is downtown on Howe St.

Hope this helps.

Darrell Burnham,
Executive Director
Coast Foundation Society
293 E. 11th Ave.,
Vancouver, B.C. CANADA
V5T 2C4
604) 872-3502
Fax: (604) 879-2324
Web Site: www.coastfoundation.com

-----Original Message-----
From: Doug Walls [mailto:DWalls@WestProWeb.com]
Sent: Wednesday, May 16, 2001 1:08 PM
To: Haynes, Chris SDES:EX
Subject: Coast VRS Contract

Chris,
Is this going to work - I was careful to make any commitments whatsoever.
Doug

-----Original Message-----
From: "Haynes, Chris SDES:EX" <Chris.Haynes@gems1.gov.bc.ca>
To: "'Doug Walls'" <dwalls@westproweb.com>
Sent: Friday, May 18, 2001 8:56 AM
Subject: RE: Coast VRS Contract

I don't see why not. I will await the green light from you before initiating it.

-----Original Message-----
From: Doug Walls [DWalls@WestProWeb.com]
To: Haynes, Chris SDES:EX
Sent: Friday, May 18, 2001 10:04 AM
Subject: Election and Coast VRS Contract

Chris,

Called you last night on cell and direct line but must have missed you.

A great election result. The current standing is 77-2 and it looks like it will stay that way because there was about 750 - 850 advance ballots in each of Hillside and Beacon Hill and the BC Liberals did a great job on that vote - the NDP ignored it.

It will be interesting to see how things develop now. The media speculation is very traditional (around cabinet ministers for example) and they may be right but without knowing anything specific at all, I don't think so. ***I haven't talked to Gord since Wednesday night but will connect with him on the weekend.*** As an aside, BCTV last night showed Shirley Bond and 3 others as the newcomers with an outside chance at cabinet. The reality is there has to be a cabinet minister from Prince George and I will be shocked if it's not her.

On the staff side of things I find it a bit confusing. I don't know where things are actually headed. The media coverage on the outside headhunters was driven by a profiling the transitition team received of about 120 DMs and ADMs and the assessment that there was not a lot of rising stars. The Phil Halkett thing fits with the time line - if you think about the 90 day timeframe and the transitition to new DM's other than 3 or 4 - there isn't enough time. I expect there will be two transitions - one now and one in about 3 months.

Gordon has called all the MLA's to Victoria for Tuesday morning. Wasting no time.

I'll try to call later today.

Cheers, Doug

p.s. Talked to Darrell at Coast this morning - he is absolutely thrilled. Please go ahead with the amendment. He will be a valuable ally going forward.

Appendix D.4

E-mail: May 24th, 2001 (reference section 5.4.5)

-----Original Message-----
From: Doug Walls [DWalls@WestProWeb.com]
To: Haynes, Chris SDES:EX
Sent: Thursday, May 24, 2001 8:38 AM
Subject: Your Meeting with Don & Brian

Hi! Chris,

I wish I could have stayed and attended the Philia session with you on Tuesday. As it was I was doing a parent meeting in Abbotsford on Trusts and DB2 - I expected about a dozen parents (I never asked how many registered) - 74 showed up - we were, needless to say, a bit jammed. It was kind of fun though - I've only done a couple of those recently - this one flowed out of one I did for Burnaby Association in March. It's kind of nice to reconnect like that again.

I have another favour to ask - actually 2 or 3 favours - are you gettting tired of this yet?

Brian and I were talking early this morning about your meeting this afternoon with Don Taylor and we would like to ask you to consider a couple of things if the opportunity arises.

- for you to reinforce the idea that whatever you develop in the systems area has to connect in a positive way with your community partners and that connection has to be well received and "bought into" at their level and developed in some fashion with their participation - reference back to the day care thing and your facilitation of a meeting between Ernie Bodie and CareNet to try and help IBM make that link - Ernie has called me four times in the past few days - we haven't connected yet - wanting to get together to talk about partnering on stuff for MCF and you guys - if you reinforce the idea of IBM building stuff jointly with the community agencies (day care providers, employment services, etc) this would help us enormously - we have gone out of our way to set IBM up with a couple of things recently that ***your mention and support of linking with CareNet for the community side of things would really help***
- you mentioned that you wanted to use www.SelfAdvocateNet.com as an example for your presentation next week - Brian suggested that you use this in the meeting today - just call it up on your machine - describe it as

part of how you want to position the ministry in relation to technology - that you're not just inward thinking in terms of the systems side of your operations but trying to do things that help "bridge the digital divide" - you would describe how you have helped the CareNet Technology Society build and maintain SelfAdvocateNET with $18,000 in funding - reinforce that this is the kind of thing that goes miles in terms of the ministry's profile - mention the presentation that you were at with 200 self advocates (all of whom receive DB2 - Don and likely Brian wouldn't know that - and the warmth that was in the room toward you and the ministry - Brian then wants to make an ask of IBM and he would prompt this by asking "is there something that IBM could do for SelfAdvocateNET" - you would respond by saying "Well we contributed $18,000 to the creation of the site and you understand that CareNet is into it now for well over $30,000" - Brian would jump in and say IBM's support would certainly be welcome and could help link IBM and MSDES as well - we are adding an IBM logo to the SelfAdvocateNEt homepage for IBM's HomePage Reader 3.0 right now to help in this - it will be there by noon

This is a lot to ask, I know - but it would sure help - we're trying to rebuild things with IBM and they are eager - a little reinforcement from you would help enormously.

Cheers, Doug

p.s. Will try and call today - have some interesting perspective on the "interviews".

Appendix D.5

E-mail: May 24th and 25th, 2001 (reference section 5.3.1)

----- Original Message -----
From: Doug Walls
To: BCL - Martyn Brown
Cc: BCL - Martyn Brown (home)
Sent: Thursday, May 24, 2001 8:48 AM
Subject: Interviews

Martyn,

Hearing about all the interviews and just want to make sure that Chris is not being overlooked. ***I talked with Gord about this and he said we didn't have to do anything - it was taken care of - but Chris is not being interviewed.*** If he doesn't wind up Deputy of MSDES it would be an absolute travesty. His appointment would be universally recognized throughout the service as the right one. Mike Corbeil has to be going anyway - he already has his boxes packed - yet he's being interviewed (apparently with 3 or 4 others) tomorrow.

Is something off the rails here - if it is I have to do something. Please let me know.

Doug

p.s. I am just heading out to a meeting and will be on my cell from 9:00 am to 2:00 pm [Section 22]. Would welcome a call.

----- Original Message -----
From: Martyn Brown
To: Doug Walls
Sent: Thursday, May 24, 2001 8:21 PM
Subject: Re: Interviews

I'm really not involved in that area, Doug, as it's truly Ken Dobell's call. However, I understand that Chris' skills are well known and appreciated by Ken and all who have had some hand in the selection of the deputies for the new Cabinet.

-----Original Message-----
From: Doug Walls [DWalls@WestProWeb.com]

To: Haynes, Chris SDES:EX
Sent: Friday, May 25, 20016:53 AM
Subject: Fw: Interviews

Chris,

Trying to get to you yesterday but didn't work out - just wanted to reassure you a bit.

Doug

Appendix D.6

E-mail: May 24th, 25th, 28th, 29th and 30th, 2001 (reference section 5.3.2)

-----Original Message-----
From: "Walman, Barbara SDES:EX"<Barbara.Walman@gems9.gov.bc.ca>
To: "'Doug Walls'" <dwalls@westproweb.com>
Sent: Thursday, May 24, 2001 8:22 AM
Subject: RE: DRAFT TRUSTS PAMPHLET

seems that our DM has his interview this Friday at 4 pm...apparently it is a 15 minute "discussion" with about 5 people...do you think there is any chance they will interview Chris for DM position...if would be such a waste if they passed him by...

-----Original Message-----
From: Doug Walls [mailto:DWalls@WestProWeb.com]
Sent: Friday, May 25, 2001 3:14 PM
To: Walman, Barbara SDES:EX
Subject: Re: DRAFT TRUSTS PAMPHLET

Barb,

Sorry I didn't respond sooner.

I want you to know that I have used every way I have into the Ken et al decision-making system with regard to Chris. I can assure you that he is on everyone's radar screen. I have passed on a couple of messages to Chris.

Just so you know, many of the interviews are being scheduled with "questionable" people - political, competency, questions etc - they are very benign but jsut trying to confirm what info they have.

Finally, if you were Mike C and were invited to a meeting at 4:00 pm on Friday afternoon with 3 or 4 others for 15 minutes . . .

Appreciate your thoughts and sympathies . . . mine are in exactly the same place.

Have a good weekend.

Warmest Regards,

Doug

-----Original Message-----
From: "Walman, Barbara SDES:EX"
<Barbara.Walman@gems9.gov.bc.ca>
To: "'Doug Walls'" <dwalls@westproweb.com>
Sent: Monday, May 28, 2001 9:32 AM
Subject: RE: DRAFT TRUSTS PAMPHLET

Thanks Doug. I know that we are on the same page when it comes to Chris but I should not have been quite so bold and familiar in my suggestions to you. Chris has strongly suggested to me that I sanction my comments and was clearly not pleased with my blatant overture. Please accept my apologies.

-----Original Message-----
From: "Doug Walls" <DWalls@WestProWeb.com>
To: "Walman, Barbara SDES:EX" <Barbara.Walman@gems9.gov.bc.ca>
Sent: Monday, May 28, 2001 5:53 AM
Subject: Re: DRAFT TRUSTS PAMPHLET

He said the same thing to me . . . I told him to get real . . . I would give my right arm for the kind of loyalty you routinely give Chris . . . I won't accept the apology . . . it definately was not blatant it was caring . . . I thank you for it and I know he does to. Best part is that it did prompt me to beat the drum once more. And that's good - lot's going on there and easy to lose track of stuff. Please don't give this another thought, except, of course, for Chris and yourself . . . good things lie ahead.

-----Original Message-----
From: Mail Delivery Subsystem [mailto:postmaster@gems9.gov.bc.ca]
Sent: Monday, May 28, 2001 4:27 PM
To: Haynes, Chris SDES:EX
Subject: Returned mail: User unknown

The original message was received at Mon, 28 May 2001 16:26:31 -0700

----- The following addresses had permanent fatal errors -----
<DougWals@socialpolicygroup.com>

-----Original Message-----
From: "Haynes, Chris SDES:EX" <Chris.Haynes@gems1.gov.bc.ca>

To: <DougWalls@socialpolicygroup.com>
Sent: Monday, May 28, 2001 4:28 PM
Subject: FW: Returned mail: User unknown

see note below

-----Original Message-----
From: Doug Walls [mailto:DougWalls@SocialPolicyGroup.com]
Sent: Tuesday, May 29, 2001 5:55 AM
To: Haynes, Chris SDES:EX
Subject: Re: Returned mail: User unknown

Chris,

Thanks for this . . . as usual.

I wanted to pass a copy of this on to you. It is the exchange between Barb and I - I don't want her to be upset and she seemed a bit that way in this message below. Absolutely don't tell her I passed this on.

-----Original Message-----
From: Haynes, Chris SDES:EX
Sent: Wednesday May 30, 2001 11:15 AM
To: 'Doug Walls'
Subject: RE: Returned mail: User unknown

Thanks for the heads up, Doug. I told Barb I have every confidence in you and there is no need for her to involve herself. I know it was just done out of concern, but she isn't aware of how far back or how deep this relationship goes. Anyway... she seems fine now, pretty resilient!

Appendix D.7

E-mail: May 31st, 2001 (reference section 5.4.5)

-----Original Message-----
From: Haynes, Chris SDES:EX
To: 'DougWalls@socialpolicygroup.com'
Sent: Thursday, May 31, 2001 2:12 PM
Subject: invitation

Doug, if you're over on the 5th., why not come to the IBM session and hear my commens about CareNet? I realise it may be too early, but I could identify you to the govt senior execs.???

CRM Invitation
1.doc (1 MB)

Chris Haynes
Assistant Deputy Minister
Employment & Benefits Division
Ministry of Social Development & Economic Security
(250) 387-6905

Appendix D.8

E-mail: June 2nd, 2001 (reference section 5.3.1)

-----Original Message-----
From: Doug Walls [DWalls@WestProWeb.com]
To: MSDES - Chris Haynes (at home)
Sent: Saturday June 2, 2001 8:36 AM
Subject: Tuesday Morning

Hi! Chris,

I have decided to come over to Victoria in time for the IBM breakfast on Tuesday morning. As a complete coincidence, Ernie Bodie called me on Friday (for the 7th time in 10 working days) and even though he said he would call me I called him back at about 5:30 to leave a message and he was still there. We talked - he literally knew nothing about what was going on (or at least purported to know nothing) - I was very vague but did tell him that 14 DM's were let go including Sharon - he seemed quite surprised. Anyway, I mentioned the breakfast as we were talking about when we might see each other and told him I was planning on coming as you were speaking - what did I have to do because I saw it was by invitation only. He quickly said that he would invite me.

I am not sure at this point how I am getting over - I'll let you know.

Stay calm . . . deep breaths . . . I chased Gord and Martyn down last night. Gord is likely a bit frantic as Lara was setting up the calls for Cabinet posts for today . . . Shirley got one - things continue to look pretty good.

Doug

Appendix D.9

E-mail: July 5th and 6th, 2001 (reference section 5.4.5)

-----Original Message-----
From: "Butterfield, Gordon MCF:EX" <Gordon.Butterfield@gems5.gov.bc.ca>
To: "Nikolejsin, Dave ISTA:EX" <Dave.Nikolejsin@gems1.gov.bc.ca>
Cc: "Kerin, Theresa MCF:EX" <Theresa.Kerin@gems9.gov.bc.ca>; "Appleton, Graham W MCF:EX" <Graham.Appleton@gems7.gov.bc.ca>
Sent: Thursday, July 05, 2001 10:27 AM
Subject: CareNet - proposed $50k contribution towards network charges

Dave,

we have not yet concluded an agreement with CareNet regarding our proposed $50k contribution towards their SpanBC network charges. While we fully intend to work with them towards an agreement, we are not in a position where we can transfer this money to you on their behalf. Please direct all your invoices to them until further notice.

thanks,
Gord
===
Gordon E. Butterfield, P. Eng.
Executive Director, Systems Services Branch
B.C. Ministry of Children and Family Development
(250) 356-0167
===

-----Original Message-----
From: Doug Walls [mailto:DWalls@CareNetBC.com]
Sent: July 5, 2001 1:53 PM
To: Nikolejsin, Dave ISTA:EX; Butterfield, Gordon MCF:EX
Cc: Ironmonger, Wayne MCF:EX; Appleton, Graham W MCF:EX; Kerin, Theresa MCF:EX
Subject: Re: CareNet - proposed $50k contribution towards network charges

Gord,

This is more than a little disappointing given where we left off yesterday - however I can see there is a mission here.

This response is very confusing as I know the Executive's understanding is that the $50k commitment was in writing from the Ministry and that following yesterday's meeting, that the support of the ministry would be continued while we jointly work toward a longer term solution. If it is the intention of the Ministry to withdraw this commitment you should communicate this decision formally and directly to the Executive of the CareNet Technology Society. My suggestion would be that you advise them of this in writing to:

Cam Dore, President
CareNet Technology Society
Suite 246, Windsor Square
1959 - 152nd Street
White Rock, B.C. V4A 9E3

Doug

-----Original Message-----
From: "Butterfield, Gordon MCF:EX"
<Gordon.Butterfield@gems5.gov.bc.ca>
To: "'Doug Walls'" <DWalls@CareNetBC.com>
Cc: "Ironmonger, Wayne MCF:EX" <Wayne.Ironmonger@gems1.gov.bc.ca>;
"Kerin, Theresa MCF:EX" <Theresa.Kerin@gems9.gov.bc.ca>
Sent: Thursday, July 05, 2001 2:34 PM
Subject: RE: CareNet - proposed $50k contribution towards network charges

Doug,

I work in a context of transparent and accountable government. As we discussed yesterday, I cannot provide material support for projects which have not been reviewed, approved, and funded by our executive. With regard to sector-wide connectivity, we must present a proposal which credibly outlines the benefits and costs of the initiative, so that it can be given due consideration. Anything less will not be productive. We intend to work on that proposal with you, if that is also your intention.

With respect to the $50k contribution towards CareNet SpanBC charges, our intentions remain as previously stated: Subject to completion of a Memorandum of Understanding, we will make the contribution. I cannot provide public funds to the benefit of a non-MCF entity without a specific document outlining the intent, and the limits. If you are willing to work with me to complete this task, we can proceed.

thank you,
Gord

==
Gordon E. Butterfield, P. Eng.
Executive Director, Systems Services Branch
B.C. Ministry of Children and Family Development
(250) 356-0167
==

-----Original Message-----
From: "Doug Walls" <DWalls@WestProWeb.com>
To: "Butterfield, Gordon MCF:EX" <Gordon.Butterfield@gems5.gov.bc.ca>
Sent: Friday, July 06, 2001 9:28 AM
Subject: Re: CareNet - proposed $50k contribution towards network charges

Gord,

I can appreciate what you say here and can assure you that we share your interest in transparent and accountable government.

My real concern is that these email messages do not at all reflect either the substance or the spirit of the agreements we reached at Wednesday's meeting with yourself and Wayne. It is for this reason I have been attempting to "tone down" the exchange - I am reluctant to forward your messages to the CareNet Board as I can predict their response - they will not understand nor appreciate this change in position.

For this reason, I repeat my advice to you. If it really is your intention to force confrontation then I am out of the picture and it should not be done by email. You should either call one of the CareNet Officers who was present at Wednesday's meeting (either Cam, Bruce or Jordan) or another meeting should be convened immediately to determine what happened between Wednesday afternoon and Thursday morning.

On the other hand, things are progressing well in terms of fulfilling Wednesday's agreements. A meeting is being set up for the week of the 23rd leading to a one day "sleeves rolled up" session in mid-August. The commitment made to pursue a joint strategy of maintaining the status quo for a month or so to let this process evolve seems really sound to me.

Doug

-----Original Message-----
From: Doug Walls [mailto:DWalls@WestProWeb.com]
Sent: Friday July 6, 2001 9:45 AM

To: Haynes, Chris MCF:EX
Subject: Fw: CareNet - proposed $50k contribution towards network charges

Good Morning,

Sent to Gord this morning (see below). Did not copy anyone even Wayne - wanted to let Gord forward this on his own to Theresa - we're looking for a way to turn down the heat.

Took your suggestion and called Wayne. He was not copied on Gord's first email but I copied him on the response. He said he sat there "wondering what happened". But then said that Gord had been in to brief TK first thing in the morning and that these messages didn't sound like Gord they sounded like Theresa. He said he was "puzzled as to what to do" and decided just to proceed with what was agreed to so he sent the message (which arrived as you and I were talking last evening) saying we're going ahead with what we committed to. He said he will continue to "focus on moving forward", that he was going to see Theresa but realized he should talk with Vaughn first and is doing that at 11 this morning. He sounds genuine and relates this to, in his mind, something that is personal and does not make any sense with respect to Government. He said "here is Gord working on a TB submission (did you know this - see below) for connectivity for community service agencies and he is cutting off his relationship with the only group that currently has connectivity and clearly the group that knows more than anyone (including gov't) about the subject.

On the TB submission - [Section 12].

Meanwhile the agencies in CareNet are chugging along paying for everything except the connectivity and they are doing this through ITSD which is now, at market prices, about a 1000% premium - in other words ten times what they could buy the service from on the street. Even at these prices, the real numbers are way, way low compared to this - our expectation is that it would be a gradual buildup overtime (likely a five year span) and would start with likely between $1 and $2 million this year (currently CareNet for 40 very large agencies is only about $300k) rising to less than $10 million in 5 years. If the connectivity was private or ITSD was privatized and forced to compete it would be about 2/3rd's to 3/4er/s less than this.

Cheers.

-----Original Message-----
From: Haynes, Chris MCF:EX

To: 'Doug Walls'
Sent: Friday, July 6, 2001 9:58 AM
Subject: RE: CareNet - proposed $50k contribution towards network charges

They needn't bother with a TB submission in this climate. ***I agree with your strategy....as it stands right now you would do better under a 'shared services' model.***

Appendix D.10

E-mail: July 6th, 2001 (reference section 5.3.1)

----- Original Message -----
From: Doug Walls [mailto:DWalls@WestProWeb.com]
To: Haynes, Chris MCF:EX
Sent: Friday July 6, 2001 1:41 PM
Subject: Gord

Hi!

Gord called and left a voicemail.

- we're working at cross purposes here
- I'm trying to work in a partnership
- I can't understand why there is so much concern about what I write
- the first message to Dave N. was simply an administrative and cash flow issue
- I think you're a pretty nice guy and would like to work with you
- I don't know what you want - I don't know how to fix this
- I don't want to send any more emails because they create "documentary evidence"
- please get back to me

I called him back - he was in a meeting and I was going into one so I left him a message

- ***thanks a ton for calling***
- ***I agree that we appear to be working at cross purposes***
- ***right now this stuff is between us - I have not forwarded it to any CareNet Board members because I know how they would react***
- ***they would react because you agreed (along with Wayne) on Wed to help settle things down for a month or so to allow some joint work to create a common understanding***

- ***it is your return to linking the credit from MCFD to ITSD to a MOU (or your email messages) which terminate the relationship that is creating the problem***

- ***this process of debiting and crediting accounts was underway - why can't it just continue - why force confrontation when none need occur - there never has been any paper at any time on any funding why is this different?***

- ***I want to help - let me know if I can - I will call you later***

That's the latest. [Section 22]

I'll keep you posted.

Doug

----- Original Message -----
From: Haynes, Chris MCF:EX
To: 'Doug Walls'
Sent: Friday July 6, 2001 1:47 PM
Subject: RE: Gord

he'll like our plan then.

Appendix D.11

E-mail: July 11th, 2001 (reference section 5.4.5)

-----Original Message-----
From: Kerin, Theresa MCF:EX
Sent: Wednesday, July 11, 2001 4:50 PM
To: Kerin, Theresa MCF:EX
Cc: McCullough, Rosemary MCF:EX
Subject: Note to File re CareNet

On Thursday, July 5th before a meeting between the Deputy, myself and IBM I gave the Acting Deputy a heads up re the current situation with respect to CareNet. Specifically I indicated that there was considerable tension between CareNet and the Ministry, CareNet appeared to be asking for the Ministry to fund their network connectivity charges this year which could be in excess of $600,000. The Ministry's position was that we could only fund $50,000 of network connectivity costs this year. The Deputy asked if this was a reduction of our last year's committment and I indicated no, it was a continuation and extension of the same committment as last year. He indicated that provided there was no reduction year over year he supported our position. I indicated that we had not budgeted for these costs this year, could not pay for such costs without a decision to extend this support to other agencies and without essentially giving CareNet a unfair competetive advantage.

Regards,
Theresa Kerin
Assistant Deputy Minister and CIO
Children's e Policy Centre
Ministry of Children and Family Development
Phone: (250)387-0978; Fax: (250)356-6534

Appendix D.12

E-mail: July 18th, 2001 (reference section 5.3.2)

----- Original Message -----
From: Doug Walls
To: Sam Sullivan ; Cam Doré CareNetBC ; Mainstream - Jordan Thurston ; VanCity - Dave Driscoll
Cc: Reach Disability - Deborah
Sent: Wednesday, July 18, 2001 10:49 AM
Subject: Meeting with Ken

Good Morning Everyone,

This is to confirm the meeting with Ken Dobell, Deputy Minister to the Premier.

The meeting will be held at Government Cabinet Offices in Vancouver:

Suite 740
Trade and Convention Centre (Pan Pacific)
999 - Canada Place
Vancouver

The meeting is scheduled for 2:00 pm to 3:00 pm.

Attending:

Sam Sullivan - Vancouver Councillor, CEO of Reach Disability Organization and generally man of many talents
David Driscoll - CEO VanCity Community Foundation
Jordan Thurston - Exec Director Mainstream Association for Proactive Community Living
Cam Dore - Exec Director HOMES - Healthy Opportunities for Meaningful Existence Society
Doug Walls - Director of Social Enterprise - PLAN - Planned Lifetime Advocacy Network

We have also arranged for a pre-meeting to discuss overall approach - this meeting will be in the restaurant off the lobby level of the Pan Pacific - we'll meet for coffee and share thoughts on strategy - 1:00 pm to 2:00 pm.

Sam and I met for a couple of hours yesterday and came up with a broad outline:

Roughly first half of the meeting talking about Individualized Funding.

- widely and strongly supported by families
- introduces direct accountability and transparency of focus
- applies equally well to children (and their families) and adult individuals
- strong intellectual foundation
- produces better outcomes and healthier communities
- reflects current trend amongst advanced jurisdictions in Western World
- growing empiracal support in US and around the world
- consistent with New Era focus - individualized, drives dollars directly to frontline service, puts families in control of their own destiny, removal or reduction of red tape inherent in social/case worker relationship
- eliminates "gatekeeper type" regulations which often translate into disincentives at community level
- saves money

We then thought we would use the concept of building or rebuilding the civic sector or civil society by strengthening the non-profit movement in British Columbia to transistion from the IF focus to a focus on what is actually happening at the community level right now

- Cam and Jordan can talk about the calls they received from Gordon Hogg (first time in their entire careers that they received a spontaneious call from a Minister) and his welcoming message, his interest in real change and what the community wanted to see, of collaboration and consultation, of wanting to transform the way services and supports are delivered to families
- followed up by a face-to-face meeting Jordan had with the Deputy - same result - very interested in linking the core review to fundamental changes in the relationship - governance and control
- the track record of MCFD and Social Services before them, was to make changes, announce them and go to war with the community
- this time it looks increasingly like many of the changes will be welcomed - not to say that there will not be lots of resistence within the bureaucracy of MCF or some opposition amonst service providers at the community level but that the themes and general directions described by the Minister and Deputy and the invitation to help them further define these directions is completely new and refreshing and has led to lots of discussion in and around the core review process underway (reference DY's meetings)

- in fact, the community is conducting an informal core services review of their own and the process has been going very well - lots of enthusiasm - managing to change many people's expectations of the new gov't

- a lot of the focus has been on the governance of community services - trying to craft a shared governance model where individuals, families, service providers, gov't can share responsibility for services - will be telling the minister and the deputy that there are current program areas that are bogged down in administration and are ideal candidates for immediate conversion to individualized funding and others that should be transferred to the civic sector under a shared governance model

- discussion about pri-care and profit being made on disability and family services - no long term value added to quality of lives for people with disabilities, to public or civic sector equity, or that would contribute to greater independence and reduced costs

This is just a rough outline - we can work on via back and forth email and when we meet tomorrow at 1pm.

Hope this helps.

Cheers, Doug

-----Original Message-----
From: Doug Walls [mailto:DougWalls@SocialPolicyGroup.com]
Sent: Wednesday July 18, 2001 12:00 PM
To: Haynes, Chris MCF:EX
Cc: CareNet - Brian Berglund
Subject: Fw: Meeting with Ken

Thoughts?

-----Original Message-----
From: Haynes, Chris MCF:EX
To: 'Doug Walls'
Cc: CareNet - Brian Berglund
Sent: Wednesday July 18, 2001 12:32 PM
Subject: RE: Meeting with Ken

Looks great. I would raise the profile of the way IF is coterminus with the BC Liberals principles:
* choice
*accountability
*opportunity
*fiscal prudence
Also you should know Ken is a VERY fast study. You must move fast. If you have reading material he WILL read it.

Appendix D.13

E-mail: July 31st and August 1st, 2001 (reference section 5.3.2)

-----Original Message-----
From: Cam Doré CareNetBC <mailto:camdore.homes@CareNetbc.com>
To: Doug Walls <mailto:DougWalls@SocialPolicyGroup.com>
Sent: Tuesday, July 31, 2001 8:56 AM
Subject: Re: Meeting with Gordon Hogg

Hi Doug,

I have trimmed down your notes and removed indication that there was coaching or that they might have been written by others. I would like to bring them along. I have pasted them below.

Laney would have had lots of opportunity to chat with both Paula and Jane Holland in the last week and last few days. [Section 22].

This would have lead to many phone calls. I am scheduled to see family and Laney on Friday. They met Joanne last Tuesday.

There have also been conversation with the above trio around another young man in Forensic that we are getting involved with. Lots of easy opportunity for chatting about current issues. You can probably throw Judy into the mix as well.

Cam

------

* the meetings that have been facilitated with key community leaders in the community living sector

* the linking of leaders in community living with child & family service sector leaders

* the resulting turn out at the Core Review meetings facilitated by David Young and the unanimity of opinion

* the emerging themes

* intake and planning - agencies see the current system as sucking families and individuals into very expensive services - instead the goal should be to keep families out - keep them independent and free of government support - when they need support that support should be specifically designed to keep them out of the expensive 7/24 care system - the key to making this happen is to have the community involved in the DB2 system which is currently handled by MHR - a change would allow non-profits to strategize with families and individuals to maintain their independence. Future contact - PLAN Al Etmanski

* choice - (individuals and families want more choice, non-profits want more choice not forced to used a small group of private gov't contractors); mental health, Psychology etc.

* Non Profit around Willow Clinic and related resources (mental health teams, Psychologists, agencies working with people who have challenging behaviours.

* the relationship with the ministry - (agencies want a partnership and are prepared to work very hard at it - leads to a discussion of cost pressures, Resource Management, governance and control, the invitation to work with government to define areas of saving, better planning, more effective sharing of information, etc.)

* government has changed, reorganized the way it presents itself to the community - the community is realizing that it may also have to do the same - in the past they have always banded together with advocacy organizations to react to (usually oppose) government - there is an increasing willingness to consider and realization that this is not the way to proceed

* individualized funding - linked to the choice argument but needs to be seen separately - more transparent, more accountable, provides choice, more cost effective - Jordan's agency is just merging with another agency that is a primary provider to kids with autism and they have been thinking that the new provincial initiative on autism stemming from the court case would make way more sense as IF(Individual Funding) rather than direct contracts to agencies that don't even always support the parent's perspective on treatment issues and approaches

* strengthening the civic (non-profit) sector - initiatives to move services out of pricare except for those provided in the family home (e.g. special care homes, fostering, etc), come up with a plan to convert services and recapture the investment in assets so that long term savings that currently pass to the private sector can accrue to the community, families or individuals

* licensing - eliminate the red tape that is created when licensing treats a family home for four people the same as a 150 bed institution - move to require certain safety standards suitable for a home (up to six
people) and restrict Community Care Licensing to homes where more than 6 live

* CSSEA and HBT - unanimous and uniform feedback - members feel powerless, they want some influence over directions set, decisions made, it is a $4.5 million bureaucracy (endless paper based data collection) out of control, forcing members to purchase benefits through HBT has been a disaster, no improvement in coverage, no savings, and all administration now being done by the agencies - they want HBT gone from the community service sector - many are in the process of making decisions to leave anyway - HBT's only option will be to force a showdown with the non-profits and their position is defenseless

* the intense desire for change, the positive reaction to the ministry's restructuring announcement - "most significant change in my 20 years working with the ministry", "feels like someone is finally in control", reducing bureaucracy in Victoria and flattening the management structure - this is a time when people are ready for and are looking for big changes

* expect resistance - there will be some community groups, certainly lots of ministry folk and perhaps even some families that resist the changes but persevere - the community will respond

* the rumours of a move to the Regional Health Boards - we have looked at it and examined the options of moving there and find that it would increase cost pressures because we would now be within a full blown institutional environment, it would take away the opportunity of community programs becoming more accountable, it would accelerate the pressure from families for government to deal with waitlists, it would take us back 20 years in our thinking of values and accountability of community services, agency experience is that these boards have huge issues on their own already
- the ministry does not want to suggest or support people with disabilities and their families moving there - they will be powerless, lost in the shuffle - Let us help to create other alternatives.

-----Original Message-----
From: Doug Walls [mailto:DougWalls@SocialPolicyGroup.com]
Sent: Tuesday July 31, 2001 9:21 AM
To: Haynes, Chris MCF:EX
Subject: Willow Clinic etc.

Some perspective.

-----Original Message-----
From: "Haynes, Chris MCF:EX" <Chris.Haynes@gems1.gov.bc.ca>
To: "'Doug Walls'" <DougWalls@SocialPolicyGroup.com>
Sent: Tuesday, July 31, 2001 9:37 AM
Subject: RE: Willow Clinic etc.

This is excellent work and quietens my apprehensions.
It seems clear that our success will lie in our ability to manage the space in between us and not allow the atmosphere that separates us to become contaminated with misinformation and mischief.

-----Original Message-----
From: Doug Walls [mailto:DougWalls@SocialPolicyGroup.com]
Sent: Tuesday July 31, 2001 10:00 AM
To: Haynes, Chris MCF:EX
Subject: Re: Willow Clinic etc.

Chris,

I'm glad this helped. These guys are very strong and will not let you down.

You're dead right about misinformation and mischief. It may mean that you have to further disrupt these old traditional lines of leakage, styling, feeding the rumour mill, etc. [Section 22].

It is a bit like an intelligence network - [Section 22].

You have your spy's behind enemy lines but so do your enemies.

Doug

-----Original Message-----
From: "Haynes, Chris MCF:EX" <Chris.Haynes@gems1.gov.bc.ca>
To: "'Doug Walls'" <DougWalls@SocialPolicyGroup.com>
Sent: Tuesday, July 31, 2001 6:53 PM
Subject: RE: Willow Clinic etc.

Doug, I have demonstrated that I am prepared to deal with my leadership issues and will continue to do so ([Section 22]).
I think the issue is whether your group is prepared to deal with its' leadership issues !!!!

-----Original Message-----
From: Doug Walls [mailto:DougWalls@SocialPolicyGroup.com]
Sent: Wednesday August 1, 2001 7:39 AM
To: Haynes, Chris MCF:EX
Subject: Re: Willow Clinic etc.

Morning Chris,

[Section 22]

I sense from your answer that I may have crossed a line with my comments about [Section 22]. I am sorry about that and I apologize for throwing this out - it was a quick reaction to the what you had said and was clearly inappropriate. ***My relationship with you is far more important to me than any or all of this and I appreciate very much that it is really you who has to balance all these issues - we are just players around the outside.***

I know that leadership is a major, major issue on the community side - witness our recent discussions about both [Section 22] .I don't know what ultimately will happen to [Section 22] - I will flip you an email from Jordan that will give you a sense of how he and Cam are feeling. It is not easy to give them a complete picture because I don't want to tell them anything that would easily be traced back to you. Despite that, I sense major change in the air at the community level. You may have noticed that one of the messages Cam added to my script for the meeting with the minister talked about perhaps reciprocal change (relating to the ministry changes) being necessary at the community level. One thing is clear - BCACL will not be the factor it once was unless [Section 22] changes dramatically, and quickly, or is gone. The organization simply cannot withstand the pressure it is under right now. Again, Chris, my apologies for the inappropriate message.

Doug

-----Original Message-----
From: "Haynes, Chris MCF:EX" <Chris.Haynes@gems1.gov.bc.ca>
To: "'Doug Walls'" <DougWalls@SocialPolicyGroup.com>
Sent: Wednesday, August 01, 2001 9:05 AM
Subject: RE: Willow Clinic etc.

Doug, I had no problem with the message. I agree, [Section 22] are on a burning platform and I will get to it. All I meant to say was 'what's good for the goose is good for the gander'!!!!. I hope you didn't take it personally it wasn't meant that way.

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
To: Haynes, Chris MCF:EX
Sent: Wednesday August 01, 2001 9:09 AM
Subject: Re: Willow Clinic etc.

Thanks Chris - appreciate this.

Appendix D.14

E-mail: August 2nd, and 13th, 2001 **(reference section 5.4.5)**

-----Original Message-----
From: CRB Consulting Ltd. [mailto:crb@pinc.com]
Sent: Thursday August 2, 2001 9:32 AM
To: Haynes, Chris MCF:EX
Subject: CareNet

Good morning Chris,

I would like to include news releases from Minister Gordon Hogg and Minister Linda Reid's offices on the CareNet portal. Would it be possible to put our web master on a distribution list?

If it is doable, her contact info is:

Lisa Bricknell
lbricknell@CareNetbc.com

Thank you
Joyce

CRB Consulting Ltd.
1291 Highrock Ave.
Victoria, BC
V9A 4V8
Tel: 250-885-1997 or 604-728-7859
Fax: 250-384-1997
Email: crb@pinc.com

-----Original Message-----
From: Haynes, Chris MCF:EX
Sent: Thursday August 2, 2001 6:15 PM
To: 'CRB Consulting Ltd.'
Cc: Carman, Carol J MCF:EX
Subject: RE: CareNet

It should be doable. I'll check with my experts who will get back to you. Thanks for the thought...

-----Original Message-----
From: Haynes, Chris MCF:EX
Sent: Monday, August 13, 2001 8:21 AM
To: Carman, Carol J MCF:EX
Subject: FW: CareNet

Carol, apparently no one followed up with this. Could one of your staff make a connection ?Thanks!!

Appendix D.15

E-mail: July 17th, August 7th, 17th and 20th, 2001 (reference section 5.4.5)

-----Original Message-----
From: Carson, George F MSER:EX
Sent: Tuesday, July 17, 2001 9:49 AM
To: Lam, Laura F ISTA:EX; Campbell, Valeska ISTA:EX
Subject: FW: MCF/ISTA Telecom Charges

FYI

I do not know if CareNet are aware that MCF will not provide the $50K until such times as the MOU between the Ministry and CareNet is concluded. I suspect so.

As per the instructions below however, CareNet are to be billed only for the balance over $50K. We will recover the $50K from MCF when the MOU is signed.

-----Original Message-----
From: Campbell, Valeska MSER:EX
Sent: Tuesday, August 07, 2001 1:27 PM
To: Arduini, John MSER:EX
Cc: Shypitka, James M MSER:EX; Francis, Susanna MSER:EX; Lam, Laura F MSER:EX
Subject: FW: MCF/ISTA Telecom Charges

It is my understanding that the unresolved issue of Telecom charges involving MCF and CareNet has been under negotiation for some time. ***Laura Lam received a telephone call today from Doug Walls, CareNet. He advised Laura verbally that the matter of these charges has been concluded, and that MCF will be covering their Network charges.***
We have no documentation of this agreement as yet, and there are still outstanding unpaid invoices that Laura would like some guidance on how to change the billing or proceed. Doug Walls' number is 604 541-4361
dwalls@CareNetbc.com
At our last meeting with Barry Morton, he was not able to address the issue of CareNet and Network charges.

John: Would it be more appropriate for you to contact Gord Butterfield to obtain documented clarification of the agreement?

Alternatively, if appropriate, I could contact Joan Danderfer at MCF to see if she has any information regarding the MOU. I will await your advice, thanks.

-----Original Message-----
From: Lam, Laura F MSER:EX
Sent: Friday, August 17, 2001 3:42 PM
To: Carson, George F MSER:EX
Cc: Katzer, Robert MSER:EX
Subject: FW: MCF/ISTA Telecom Charges

George, the outstanding balance is $116,676.06 as of July 31, 2001.

-----Original Message-----
From: Carson, George F MSER:EX
Sent: Friday August 17, 2001 4:47 PM
To: Butterfield, Gordon MCF:EX
Subject: FW: MCF/ISTA Telecom Charges

What is the status here Gord? ITSD cannot continue to carry CareNet as a non-pying customer.

-----Original Message-----
From: Graf, Marie MCF:EX; on behalf of; Butterfield, Gordon MCF:EX
Sent: Monday, August 20, 2001 8:22 AM
To: Carson, George F MSER:EX
Cc: Wayne Ironmonger
Subject: RE: MCF/ISTA Telecom Charges

Hi George:
Gord is away on vacation until Sept. 6th. Hopefully, I can assist in the interim. I will do some investigation on this issue to ascertain the status of the MOU for this fiscal. Once I find out more, I will give you a call.

Thanks for your patience and understanding.

Marie E. Graf
Director, Operations & Business Development
Systems Services Branch
Ministry of Children and Family Development
Telephone: 250-387-1436 / Cellular: 250-888-7278
1312 Blanshard Street, Victoria, B.C.
email: Marie.Graf@gems5.gov.bc.ca
Leadership is everyone's business (Kouzes and Posner)

Appendix D.16

E-mail: August 18th, 22nd and 23rd, 2001 (reference section 5.3.2)

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
Sent: Saturday August 18, 2001 6:56 PM
To: Haynes, Chris MCF:EX; Future Ground - Ev Northup; WestPro - Brian (at home)
Cc: MCFD - Chris Haynes (at home)
Subject: Devolution to Community Boards

Hi! Ev and Brian,

This is an extract from the first in a series of four papers looking at devolution of authority to regional boards in Canada. Cam found the link to the 4th paper and I tracked down the series. This is an interesting discussion - although it applies to the health care sector, the issues and their applicability to community living are obvious (it is pasted below this message).

I have been on email and phone all day today sharing comments and strategies about what people are hearing. There is some opposition (and not insignficant) to both a change in governance and to IF. However, having said that, the players on the other side don't appear to be gathering momentum, in fact, several have been reaching out to the core of leaders (Cam, Jordan and Jack) to gain more information. More importantly, some are even admitting that they personally are urging Laney and BCACL to get with it and get involved in the governance discussion because it is real (the latest was Ellen Tarshis). Just as importantly, the nature of the opposition has not changed - it is narrowly focused on the assumption that we are talking about a wholesale and mandatory change to IF and a governance model that would put a "super non-profit" at the top of community living which would employ all of the community front line staff. You can imagine how, put in these terms, both issues present a threat.

The meeting on Friday which Chris and Paula Grant are attending will be a bit of a turning point I think. For one thing, Chris will be able to assure them that the cost pressures are real, the talk of governance and the default to health boards is being openly discussed in government and the interest in making change, real change is there. It will also be a chance for those who have only heard stuff second hand to this point to clarify in general terms what is being talked about.

Finally, on top of Friday's meeting, there is the parent/community Structure and Strategy Committee meeting on Wednesday. This will be an attempt to find some common ground around IF and governance that can be agreed to - it is a pretty good group that has historically listened to Al and I. If we get a good result here and the ED's get some sort of coming together at their session on Friday, then we can make an attempt to bring the two schools of thought together in a very loose, informal way.

Beyond this, and while it is happening on the community front, as Brian has so rightly pointed out, we need to provide Chris with a couple of things:

- a discussion paper on the parameters of approaching a discussion on IF and Community Governance with families, individuals, advocacy groups and service providers - this paper would be intended for internal distribution to represent Chris' thoughts as prompted by the draft given him by Paula and Robin
- a "dog and pony show" that can be used by staff and others to use internally and with MLA's and Cabinet Ministers to explain what the hell we're talking about
- a road map to adoption and implementation
- an outline of the key players in the process right now and as we move to implementation
- assurance from us that we know what the hell we're talking about
- a "geared up", ready to go plan to move quickly on this stuff once we see the green light emerging from the fog

We're properly positioned. We have the families, the family support groups and the major advocacy groups (Family Support Institute, BCCPD, Famly Link) ready to make the push. The right people are on the working groups including a BCACL Board Member. We have the service providers showing real leadership through a group and others responding. The meeting on Friday will be very well attended and Jordan is going back to BCACL to extend a special invitation to them (it was implied but not explicit before) - they are set to try and carve out the same - some general principles and a small go-forward working group.

Brian has convinced me that personally (at least me) and corporately vis-a-vis CareNet, we are in the breach and the forces are on the field - to try and avoid collateral damage now would be fruitless - we have not tried to hide anything yet and we've brought it this far. Therefore, in terms of trying to bring things together, he is advocating that I play a more visibile role as the natural liaison between families and service providers - from this the natural, leadership directions will emerge because both sides are wary of a fight. I have thought about it - even argued with Brian about it - but think he is right. Do you have any reservations? Can this come back to put Chris at risk because of our long friendship?

I would like to have some clear direction set by Monday - I would appreciate your thoughts (I think this is what Custer said at church on Sunday just before setting out for Little Big Horn).

Cheers, Doug

Tensions inherent in devolved authority

Centralizing to decentralize

Devolved authorities are granted their powers from 3 sources. The provincial government gives them legitimacy by formally devolving powers to plan and to allocate provincial funds. From local health care providers and institutions they acquire or procure management rights to reorganize and reform service delivery. From the local or regional population have come their credibility and mandate to represent the citizens' needs, wants and preferences.

Thus, each authority embodies not only decentralized formal powers passed down from the provincial government but also centralized informal powers garnered "up" from citizens and individual institutions or providers. For instance, the 17 regional boards in Alberta replaced more than 200 boards for hospitals, health units and long-term care and mental health facilities. The 30 district boards in Saskatchewan replaced more than 400 local boards. This consolidation reflects the sentiments of many of the provincial royal commissions and task forces, which not only supported the development of devolved structures but also commented on the excessive decentralization of health care, which made coordinated management of the system impossible.[5]

Individual citizens seeking personal services are now (at least theoretically) less influential than groups of citizens expressing a community need. Individual hospitals, stripped of their autonomous boards and grouped with others under devolved authority, can no longer plan in isolation from the needs of the whole system. Physicians and other providers are increasingly hampered in their efforts to locate their practices where they desire. Instead, they must comply with the human resource plans of the devolved authority. Most of this shift in influence is done in the name of better managing the health care system. Indeed, the business-management literature has underlined this apparently paradoxical need to "centralize in order to decentralize."[20]

Each devolved authority is therefore situated at the nexus between the provincial government's expectations, the providers' interests and the citizenry's needs, wants and preferences.[6] Tensions among these are inevitable.

Devolved authorities and their provincial governments

The devolved authorities are acutely aware that the provincial governments that created them also control their budgets and the rules under which they operate. To this extent, the devolved boards could be the locally based enforcers of the provincial government's expectations; that is, they could be deconcentrated arms of their parent body. However, in some provinces, such as Saskatchewan, there is a move to determine needs-based funding formulas objectively. This trend may afford the devolved authorities some protection from arbitrary fiscal punishment if they deviate from the provincial government's expectations.

There is still, however, a "rulebook," which often expresses the requirements for delivery of core services. Such documents have been completed or are being developed in Alberta, Saskatchewan, Nova Scotia, Prince Edward Island and Newfoundland. Most core-service documents are introduced with general wording, in order to allow the devolved authorities significant discretion. To date, however, few devolved authorities have ventured far from traditional allocations of funds. Only time will tell whether the authorities will make radical departures from accepted patterns of local resource allocation and whether, in response, provincial governments will feel compelled to tighten the wording of core-service documents and reduce the authorities' discretion.

Devolved authorities and providers

In setting up the devolved authorities, most of the provinces excluded providers from the boards. This decision has added to the concern expressed by many providers that the reforms look more like centralization than decentralization. Many providers feel excluded from the new channels of advice and influence.[21] In response to these concerns, several provinces have taken measures to increase provider involvement. In Alberta and British Columbia, for instance, human resource strategies were negotiated with the health care unions before the reforms were implemented. Physician concern has been accommodated through such measures as creation of regional medical advisory committees (in Alberta), temporary placement of physicians on boards (in Prince Edward Island), eligibility of physicians to run for board positions (in Saskatchewan) and inclusion of physicians as a defined constituency of the board (in Quebec).

Nevertheless, most provincial governments and their devolved boards believe that their role will be more compromised than facilitated if providers and their interests retain direct decision-making power. The boards must often accommodate reduced global budgets, which have adverse effects on providers. The tension resulting from these situations will likely be amplified as the associations and unions representing providers reorganize to focus on the regional or local level.[6]

Devolved authorities and their citizenry

Devolved authorities' best protection from becoming enforcers on behalf of provincial governments or being held captive by provider interests may be their credibility as effective local representatives of their citizens' needs and preferences. The difficulty is differentiating local needs, expressed by well-informed citizens seeking the public interest, from local wants, expressed by narrowly informed citizens seeking satisfaction of self-interest. One of the devolved authorities' biggest challenges will be to gain credibility by discriminating between these 2 forms of community expression and placing different values on them, while maintaining cordial relations with the entire community. Good information will be a necessary, although likely not a sufficient, element in achieving this goal.[22,23]

Nevertheless, the role of the local citizenry in devolved authorities remains unclear, partly because of the failure to distinguish between citizen input and governance. Citizen input into decisions made at the local level on local matters -- local planning and allocation -- is one option. This, however, is not the same as community governance, which involves elected local citizenry making the decisions for their locality. Citizen input implies only community participation through advice and input to experts. Citizen governance implies a pre-eminent role for elected local citizens, regardless of their level of knowledge, and a lesser role for experts. These 2 approaches appear to have become inextricably intertwined in Canada's current debates over the governance of devolved authorities. The confusion has arisen despite evidence that most citizens wish only to be consulted and that they expect and prefer that "the experts" take responsibility for actually making the decisions.[24]

In their attempts to negotiate compromise, devolved authorities must decide how to weigh the sometimes competing views of the provincial government, providers and citizens. In dealing with the provincial government, their legitimacy and formally devolved power are at stake. In dealing with the providers, their ability to manage reform without making workers disgruntled is at stake. And, in dealing with the local citizenry, their credibility is at stake.

-----Original Message-----
From: "Haynes, Chris MCF:EX" <Chris.Haynes@gems1.gov.bc.ca>
To: "'Doug Walls'" <DougWalls@SocialPolicyGroup.com>; "Future Ground - Ev Northup" <futureground@home.com>; "WestPro - Brian (at home)" <crbconsulting@home.com>
Cc: "MCFD - Chris Haynes (at home)" <[Section 22]>
Sent: Wednesday, August 22, 2001 3:03 PM
Subject: RE: Devolution to Community Boards

I am in agreement with your approach and some of the tasks.

I got a strong message from Ken D. yesterday that the governance message is for real and that if it isn't me leading it ,it will be someone else (of course the flavour would change). I am in support of Doug being more visible. In some ways it would make things more open and transparent. Doug, I think you have to decide who and what you are representing before you do that. i.e. which of your hats gives you the most freedom and credence.

We definitely need more work on the model. Ken D. was clear the model is MORE EFECTIVE AND LESS COSTLY.(tastes great or less filling). Unless the model gets firmer sooner the train will roll over us. Could we also deal more directly with the ONE employer and the labour relations issue. We are skating around it without dealing with it. Sorry didn't reply earlier.

I also need the meetings with the parents etc.

Thanks to all of you for your continuing assistance.

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
To: Haynes, Chris MCF:EX
Sent: Thursday, August 23, 2001 7:01 AM
Subject: Re: Devolution to Community Boards

Hi! Chris,

I really appreciate you sharing your thoughts on this and your recent discussions with Ken.

I am not sure quite yet of the timing of visible leadership - so far we have convinced a group made up of three parents (Linda Perry - who is also ED of the microboard assoc of BC, Pat Tesan - who is a board member of the Family Support Institute and runs the Spinoza the Bear program for the Vanc Grizzlies (who were they?) and PLAN, and Maria Glaze who is a long time parent advocate of IF) to lead the parent/community side of things.

I have thus far portrayed myself as a parent - Dad of Hillary - and a long time community living volunteer (15 years with AimHi, 11 years with BCACL, 2 years with the Brokerage Society, etc) - although I have lots of other "stuff" hanging around and others are attempting to portray me in a different light (CareNet, gov't, the IF model) they tend to be the same people that are attacking everyone at the head of it and have become heavily discounted particularly in the last 10 days. Do you have any thoughts on this?

There is no question that the model (assuming they adopt some version close to the one that Al and I and others have developed) is both more effective and less costly. We have also developed effective arguments as to why separate Community Living from the rest of MCFD and why not the Regional Health Boards (without relying too heavily on the parents would raise holy hell argument). The one we have left to develop is Ken's last issue - how can we avoid creating the provinces largest, best funded advocacy/lobby group. We are working on that and when we are solid will get back to him.

I am flying over on the 10am plane and should be in downtown before 11am. I will call you on your cell the moment we land. If anything changes you can call me on my cell - other than from 10 to 10:25 it will be on.

Looking forward to seeing you.

Cheers, Doug

-----Original Message-----
From: Haynes, Chris MCF:EX
To: 'DougWalls@SocialPolicyGroup.com'
Sent: Thursday, August 23, 2001 5:06 PM
Subject: Re: Devolution to Community Boards

Doug, on the first point, you are right people are trying to portray you as solely CareNet. I think positioning yourself throough your distinguished contribution to the CL movement is your best positioning. We CANNOT afford to have you not involved in leadership either out front OR behind the scenes. At all costs you must not get taken out of play making strategies for the team. And those that value your leadership as much as I do must help ensure that it does not happen.

My thoughts.

\Chris Haynes Deputy Minister(acting) Ministry of Children and Family Development
Phone: 387-2000

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

Appendix D.17

E-mail – August 23rd and 27th 2001 (reference section 5.4.5)

-----Original Message-----
From: Ironmonger, Wayne MCF:EX
Sent: Thursday August 23, 2001 11:40 AM
To: Graf, Marie MCF:EX
Cc: Haynes, Chris MCF:EX; Foster, Les MCF:EX
Subject: Systems Services Branch project review

Hi Marie;

As we've discussed over the past few days it is imperative that we review current projects in the context of the recent ministry realignment, the Core Services Review and the commitments made in the New Era document. We need to ensure that our current plan is consistent with the longer term vision for service delivery and that it anticipates the type of systems that will be needed to support any changes to the current model.

I am specifically referring to the Contract Management System, the Integrated Services Initiative and Child Health Net (which includes the relationship to CareNet and ACIS). Each of these projects anticipates a central role for MCF developing and managing systems solutions. It is possible that other governance models could be adopted that would significantly change our role and the overall systems architecture.

I am requesting that Systems Services Branch develop an issue paper requesting Executive Committee direction on each of these projects. I anticipate this will also require involvement of the Chief Information Office and other corporate partners who have been involved in any of these projects. For example, the Contract Management System had been previously endorsed as a corporate initiative prior to the change of government and we require confirmation that this continues to be the direction.

I would propose that SSB develop issue papers for each and, within the issue papers that you address possible governance options along with an impact assessment for each. The options should range from status quo to a full community governance model. The issue papers should be framed in the context of obtaining Executive endorsement for current and future IT investments within the context of overall government and specific ministry business objectives. This will allow Executive Committee to participate in setting priorities and establishing strategic direction.

I will provide whatever support you need in the process. My objective is to have these available for review by August 30th and to Executive Committee on September 4th.

Wayne Ironmonger, Executive Director
Regional Operations/ Systems Services Branch
Business Advisory Team ph 250 387-3187
5th floor 1312 Blanshard St., Victoria BC V8W 9S1

-----Original Message-----
From: Haynes, Chris MCF:EX
Sent: Monday August 27, 2001 3:01 PM
To: Ironmonger, Wayne MCF:EX
Subject: RE: Systems Services Branch project review

Wayne, as part of the process for this(which I think you should take the lead on) could you ensure you find a way to include the service providers in the dialogue and process. Thanks.

-----Original Message-----
From: Ironmonger, Wayne MCF:EX
Sent: Monday, August 27, 2001 5:10 PM
To: Haynes, Chris MCF:EX
Subject: RE: Systems Services Branch project review

I agree that we need to do this- it's really just a question of process and timing. I'll set up a time to discuss with you in the next week.

Wayne Ironmonger
Executive Director,Electronic Service Delivery
1312 Blanshard St, Victoria BC V8W 2J1
387-3187 cell 888-3820

Appendix D.18

E-mail – September 3rd, 2001 (reference section 6.1)

-----Original Message-----
From: Doug Walls [mailto:DougWalls@SocialPolicyGroup.com]
Sent: Monday September 3, 2001 9:36 AM
To: Haynes, Chris MCF:EX; Future Ground - Ev Northup; Brian Berglund; Al Etmanski
Subject: White Paper - Next Draft
Attachments: Word document – MCFD Community Living Services White Paper v2 08 31 2001.doc (88 KB)

Good morning,

I have taken a run at the paper with your feedback in mind. Ev - I have used your format and a lot of your content. This is where I'm at. I have not completed the next steps section at the end but have begun to provide some comment based on the four items you suggested Brian.

I think we also need a close - a call to action - a call for thinking outside the box, a repeat of the call to pull together, a challenge to people to take risks - whatever.

Chris - this paper is written like you wrote it. We have to figure out where this comes from so you can position it right. It should not come from you.

I need help. I will be around pretty much all day - email or call me on my cell.

Cheers, Doug

-----Original Message-----
From: Haynes, Chris MCF:EX
Sent: Monday September 3, 2001 1:07 PM
To: 'DougWalls@SocialPolicyGroup.com'; 'Futureground@home.com'
Subject: FW: White Paper - Next Draft
Attachments: Word document – MCFD Community Living Services White Paper v2 08 31 2001.doc (88 KB)

This is really good. I have made some small edits. The ending could be back to the key questions.....we need your advice on the following questions..... ***Where should the paper come from? We could hang it on Paula and make her***

collect the responses. Could be David and Elaine. I am at my desk at 250-387-2615 if you want to discuss.

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
Sent: Monday September 3, 2001 1:56 PM
To: Haynes, Chris MCF:EX
Subject: Re: White Paper - Next Draft
Attachments: Word document – MCFD Community Living Services White Paper v3 09 03 2001.doc (94 KB)

Hi!

I have rewritten a part of the section on Why community living services? to add another perspective than the difference in mandate with protection - sort of a positive side to the reality side presented by what's there now.

I have also added a couple of things in the principles section.

I need to do the last couple of sections - ESD and IT and need to do an conclusion - have it in my head - will get it to you before tomorrow's session. I am just headed out but will be back in later - not sure when I will finish this off - either later tonight or early in the morning.

On where it comes from and what is it's purpose . . .

It depends a little on what you think of [Section 22]

- if the former you might want to think of Elaine, David and Paula - [Section 22]

- and think of it as coming out of the session tomorrow. So it would follow on tomorrow's session - maybe distributed on Thursday.

As far as purpose I think it should be an internal document that at some point might be quietly and strategically leaked to get people buying into the opportunity. Right now I think it is most useful in getting the message out internally about how serious you are. [Section 22]

Don't know . . . it is mostly internal politics and I feel like a babe in the woods . . . your instincts are always bang on, go with them.

Let me know if it is OK to call you at home tonight if I get going again.

Cheers

-----Original Message-----
From: Haynes, Chris MCF:EX
Sent: Monday September 3, 2001 2:12 PM
To: 'Doug Walls'
Subject: RE: White Paper - Next Draft

Absolutely, call me at home any time. ***We could send it out as the Ministers Paper with feedback going to David Young.*** It really looks good ,I appreciate your assistance.

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
Sent: Monday September 3, 2001 5:27 PM
To: Haynes, Chris MCF:EX
Subject: Version 3 with tail end drafted
Attachments: Word document – MCFD Community Living Services White Paper v3 09 03 2001.doc (99 KB)

Hi!

Back at it for a couple of hours now and have taken a run at the Next Steps and Concluding Remarks section. Brian is looking at the Next Steps section and when I hear back from him I will incorporate his suggestions (or at least those that I like) and pass on the finished draft to you, Ev and Al for next round of input.

I like the idea of the Minister releasing the paper if you think it doesn't go too far for him. It would really set a tone and then it could be released publically without any issues of who and why.

I am working on the family position paper - this is ironic to say the least - I have Brian Salisbury's draft (which is an edit of what I produced for the structure and strategy committee) of what he considers the family position to be (I'll flip you an email from him so you can see the change in tone - Al thinks I've worked miracles) which I am editing for next Friday's meeting, responses for Cam, Jordan, Jack, Danette etc to Doug Woollard's list of questions to guide their discussions tomorrow and the white paper - someone is bound to line all three up and say hey - what's going on here.

If we don't connect tonight call me on your way in in the morning - I will be there early.

Cheers, Doug

Appendix D.19

E-mail: September 16th, 2001 (reference section 5.4.5)

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
Sent: Sunday, September 16, 2001 8:38 AM
To: Haynes, Chris MCF:EX
Subject: Message to Fed in PG

Chris,

If I put some thought into a couple of things you might possibly include relative to CareNet in your message to the Fed Board on the 19th and in the Minister's message to the membership on the 20th. No promotion or anything like that. Would that be too presumptious?

Also, I am wondering if you have even 15 minutes of free time when you're up in Prince George to drop in and see Lorna. [Section 22]

Doug

Appendix D.20

E-mail: September 23rd, 2001 (reference section 6.1)

-----Original Message-----
From: Doug Walls [mailto:DougWalls@SocialPolicyGroup.com]
Sent: Sunday September 23, 2001 4:29 PM
To: Haynes, Chris MCF:EX
Cc: Future Ground - Ev Northup; Brian Berglund
Subject: White Paper Version 8

Chris,

Here is a clean copy. I actually accepted many of the suggestions from staff. There were two that I had a hard time accommodating - one was Wayne M. and I'm not sure who the other was but whoever it was their intent was to sanitize the paper by taking out most of strongest challenges to MCFD thinking and staff. I did make some changes in response to concerns that the statements were too negative. There were also questions raised by Les as to the accuracy of some of the numbers in the background section - I fixed this by rounding and approximating or eliminating the numbers as they were not important.

I think the paper is pretty solid now and I re-read it from front to back to see if there were any inconsistencies with directions taken in the past two weeks since the draft was circulated - I did change a couple of things in this regard. It would be really good if this paper could be released by the Minister this coming week - I know it would help the service providers get their minds around some of the issues many of them are stumbling over. The families are there. The meeting on Saturday was wonderful (other than the fact it was all day inside on a very nice day) and the outcome even better - every single person (and there were people there from all over the province) endorsed the direction we recommended and the earlier fear or risk of division has been banished forever. Brian and David felt good about it (I am now their buddy) and there was enough credit going around that a little bit splashed on everyone and I was able to stay in the background (a little bit, sort of).

Good luck with Gordon on the paper. I think it would be well received by the Premier, Ken and Cabinet.

Doug

-----Original Message-----
From: Haynes, Chris MCF:EX
To: 'Doug Walls'
Cc: Future Ground - Ev Northup; Brian Berglund
Sent: Sunday September 23, 2001 4:34 PM
Subject: RE: White Paper Version 8

Many thanks to everyone for their assistance with this. Much appreciated. Now all we need do is get the Minister to issue it. Again, this is much appreciated.

Appendix D.21

E-mail: September 24th, 2001 (reference section 5.4.5)

-----Original Message-----
From: "Butterfield, Gordon MCF:EX"
<Gordon.Butterfield@gems5.gov.bc.ca>
To: "Doug Walls (E-mail)" <DWalls@CareNetBC.com>
Cc: "Ironmonger, Wayne MCF:EX" <Wayne.Ironmonger@gems1.gov.bc.ca>; "Foster, Les MCF:EX" <Les.Foster@gems3.gov.bc.ca>; "Nikolejsin, Dave MSER:EX" <Dave.Nikolejsin@gems1.gov.bc.ca>
Sent: Monday, September 24, 2001 3:50 PM
Subject: Relationship with CareNet / SpanBC charges

Doug,

as per my voicemail message to you a few minutes ago ...

I would prefer to discuss this with you, but we've traded voice messages several times over the last couple of days without connecting in person. ***We've had discussions with Chris Haynes regarding our relationship with CareNet, and have received the following direction:***

**** The impending changes in the BC Government, specifically as they apply to MCF, leave us unsure of what the appropriate relationship should be. Nevertheless, we desire to work with CareNet as the changes unfold.***
**** Wayne Ironmonger will be the lead contact for the overall business relationship. Wayne has spoken briefly with Cam Dore.***
**** I will be the contact for issues relating to systems standards and services.***
**** Our offer of contributing $50,000 towards CareNet's SpanBC charges for this fiscal still stands. We have no ability to contribute any further amounts this year.***
**** Our ability to contribute any amount in the coming fiscal years is dependent on the continuing business need, and on our ability to fund it.***

regards,
Gord
===
Gordon E. Butterfield, P. Eng.

Executive Director, Systems Services Branch
B.C. Ministry of Children and Family Development
(250) 356-0167
==

-----Original Message-----
From: "Doug Walls" <DougWalls@SocialPolicyGroup.com>
To: "MCFD - Chris Haynes" <Chris.Haynes@gems1.gov.bc.ca>
Sent: Monday, September 24, 2001 4:18 PM
Subject: Fw: Relationship with CareNet / SpanBC charges

Hi!

MESSAGE FROM GORD BUTTERFIELD BELOW.

Talked with George Carson at ITSD this morning and brought him up to date with our understanding of Wayne's role. Gord left me a voice mail message about a half hour ago that was pleasant but said that he had specific instructions from you - mentioned your name twice in the voice mail message and specifically in relation to the capping of telecom charges contribution at the $50k - to advise ITSD that the $50k was all they were going to get from him.

He actually prefaced this statement (I knew about it anyway because he actually phoned George Carson on Thursday last week) with the information that Wayne was now in charge of the relationship and that things were progressing well - said that he had talked with Wayne this morning.

I will need Wayne to tell George Carson that he is working on a solution - otherwise, ITSD will begin trying to collect the funds they will be owed (which would be around $100k after the $50k credit is passed). To date, we have kept the CareNet Board in the loop in terms of the progress (and sometimes lack of it) but we haven't alerted them to any possibility of it being other than a complex relationship that needs to be sorted out.

Wayne has talked with Cam Dore about drawing the regions (Simon Fraser and Upper Fraser Valley) into the picture and I think the solution lies in this direction of having the regions participate.

What should I, can I say to Wayne - I can't really afford to have this blow up right now because Wayne has been slow to respond to the need to begin a dialogue. When Wayne and Gord last met with the Exec (represented by Bruce Hardy, Cam Dore and Jordan Thurston) they withdrew the $50k cutoff notice (Jordan called it a "kissoff") and agreed to work with the Society to sort out a long term relationship - that was July 4th - since then nothing has happened.

I hate to dump this on you - just give me a bit of direction and between Ev and I and the Society we can steer it.

Doug

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
Sent: Monday, September 24, 2001 4:47 PM
To: Haynes, Chris MCF:EX
Subject: Fw: Relationship with CareNet / SpanBC charges

Hi!

Just re-read this message and realized I left an inaccurate picture of how I see Wayne. Wayne has been completely agreeing with us that time and dragging out the time is the best strategy and not to raise it as an issue if it can possibly be avoided. Wayne has said that he would like it to be positioned as a transitional issue with funding to be provided until the governance issues, at a couple of levels, are decided. ***Treating it as a transition cost makes sense as it is the wrong time to make a long term commitment. This is behind him simply trying to put George Carson back to sleep by saying we working on it, we're making progress, be patient - we'll get it done somehow.***

No-one gets really excited about it because in the overall scheme of things it is a small amount and no-one is keen to trigger any kind of external conflict - so this would probably give us another couple of months - time for things to settle, be resolved and to get a productive dialogue going.

Doug

Appendix D.22

E-mail: October 18th, 2001 (reference section 5.3.2)

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
To: Haynes, Chris MCF:EX
Sent: Thursday October 18, 2001 6:12 PM
Subject: Speeches

Hi!

Is it OK to make some changes to the two speeches. I could bring a hard copy of Child Development Centres to the meeting tomorrow. Will you be back in your office in Victoria on Monday or are you staying over in Vancouver. I could print a hard copy of both if you want or just email back the MAPCL one and you could print it.

Do you want me to track changes so that you can see what I changed?

I want you to read a couple of excerpts from the White Paper as that stuff is absolutely brilliant - who wrote that anyway?

Doug

-----Original Message-----
From: Haynes, Chris MCF:EX
To: 'DougWalls@SocialPolicyGroup.com'
Sent: Thursday October 18, 2001 9:25 PM
Subject: Re: Speeches

All of your changes will be well received.
I am on the 7.30 fliht
See you tomorrow.
Chris Haynes
Deputy Minister(acting)
Ministry of Children and Family Development
Phone: 387-2000

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

Appendix D.23

E-mail: October 21st, 22nd, 23rd, and 25th, 2001 (reference section 5.3.2)

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
To: Haynes, Chris MCF:EX
Sent: Sunday October 21, 2001 7:29 PM
Subject: MAPCL AGM - Speech
Attachments: MAPCL AGM – Keynote Speech –CH Speaking Notes 10 22 2001.doc (96 KB)

Welcome Back,

I have attached your speech for the MAPCL AGM. I made some changes in the body - more personal and more direct. The raw material here was better than the other speech.

I added a beginning section to make a better apology for the Minister and to link your delivery directly to him. I also added an end section that is focused on MAPCL and it is pretty flattering - you may want to look at that.

I also redid the middle section to describe Core Services and Budget as two parallel processes - it was hard to understand before - the budget stuff was just thrown in the middle of core review.

I probably made other changes too but none that would cause you any difficulty.

Hope you enjoyed your time up there - Shirley said she saw you. I talked to her this morning - pretty anxious about her Treasury Board visit on Thursday.

Talk to you tomorrow.

Cheers, Doug

-----Original Message-----
From: Haynes, Chris MCF:EX
To: 'DougWalls@SocialPolicyGroup.com'
Sent: Monday October 22, 2001 8:04 AM

Subject: Re: MAPCL AGM - Speech

Many thanks for this as usual.
It was great to see Shirley at the PG eveny. I offered to show her mcfd submission as an eg. Not sure if she wanted it or not.
The package itself went over well.
Talk to you later.
Chris Haynes
Deputy Minister(acting)
Ministry of Children and Family Development
Phone: 387-2000

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
To: Haynes, Chris MCF:EX
Sent: Tuesday October 23, 2001 8:51 AM
Subject: Re: MAPCL AGM - Speech

[Section 22]

-----Original Message-----
From: Haynes, Chris MCF:EX
To: 'DougWalls@SocialPolicyGroup.com'
Sent: Tuesday October 23, 200 11:15 AM
Subject: Re: MAPCL AGM - Speech

Doug, don't forget how connected [Section 22] views her as his ptotege. Something to keep in mind. We really need the DB2 stuff. Chris Haynes Deputy Minister(acting) Ministry of Children and Family Development
Phone: 387-2000

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

-----Original Message-----
From: Haynes, Chris MCF:EX
To: 'DougWalls@SocialPolicyGroup.com'
Sent: Thursday October 25, 2001 7:42 AM
Subject: Re: MAPCL AGM - Speech

Doug, could you bring a copy of this speech with you. I can use it tonight for Spectrum. Thanks. PS I will tone down the [Section 22] !!!!!!!!!!!!!!! Chris Haynes Deputy Minister(acting) Ministry of Children and Family Development

Phone: 387-2000

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
To: Haynes, Chris MCF:EX
Sent: Thursday October 25, 2001 7:44 AM
Subject: MAPCL AGM - Speech

I'll make a few changes for you to reflect Spectrum to make Ernie feel good.

-----Original Message-----
From: Haynes, Chris MCF:EX
To: 'DougWalls@SocialPolicyGroup.com'
Sent: Thursday October 25, 2001 7:53 AM
Subject: Re: MAPCL AGM - Speech

Thanks,Doug.
Much appreciated.
Chris Haynes
Deputy Minister(acting)
Ministry of Children and Family Development
Phone: 387-2000

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

Appendix D.24

E-mail: November 8th and 9th, 2001 (reference section 5.4.5)

-----Original Message-----
-----Original Message-----
From: Carson, George F MSER:EX
Sent: Thursday November 8, 2001 2:42 PM
To: Ironmonger, Wayne MCF:EX
Cc: Arduini, John MSER:EX; Nikolejsin, Dave MSER:EX
Subject: CareNet outstanding charges

Wayne,

As requested from our discussion of November 7, 2001 here is an accounting of present and potential financial impact to ITSD with regards to CareNet through to December 31, 2001.

Currently their outstanding indebtedness is as follows:

March 2001 -	$2,241.28
April 2001 -	$25, 316.46
May 2001 -	$23, 796.89
June 2001 -	$23, 530.73
July 2001 -	$41,790.70
August 2001 -	$37, 028.20
September 2001 -	$36, 786.09
October 2001 -	$37, 000.00 est.
November 2001 -	$37, 000.00 est.
December 2001 -	$37, 000.00 est.

Total amount outstanding $301,490.35 est.

CareNet have orders into us to install an additional 16 offices. These orders are on hold at the present time by ITSD pending some form of resolution to the outstanding indebtedness of CareNet. The monthly charges would be an additional $14,125/month (roughly) and install charges of $1000 * 16 = $16,000

If these orders were to go forward we would be looking at approximately $50K per month in total CareNet billings.

George Carson
Manager, ITSD Network Services,
Ministry of Management Services,
Province of British Columbia
Telephone: (250)387-7946
Fax: (250)387-8419
mailto:George.Carson@gems6.gov.bc.ca
http://www.ista.gov.bc.ca

-----Original Message-----
From: Ironmonger, Wayne MCF:EX
Sent: Friday, November 09, 2001 3:19 PM
To: Carson, George F MSER:EX; Foster, Les MCF:EX
Cc: Arduini, John MSER:EX; Nikolejsin, Dave MSER:EX; Haynes, Chris MCF:EX
Subject: RE: CareNet outstanding charges

Thanks for the update George. Thanks also to you and John for taking the time to meet with me on Wednesday.

Les- the attached note outlines the outstanding charges for the agencies who are part of CareNet and have been connected to the secure network by ITSD. You will also note that ITSD have waitlisted 16 agencies pending resolution of the current billings. We need to review this and advise ITSD asap as to the Ministry's position regarding payment of the outstanding charges. This decision will need to be made in the context of decisions we have already made on the Systems Services Branch 2001/02 budget and the ongoing discussion with the sector regarding governance models.

Staff from ITSD have made it clear to me that while they would like to work with us to resolve this they cannot continue to allow this debt to accrue. This leaves them with no option but to withdraw service if some agreement is not reached and proceed to collection.

I would like to discuss next steps with you and the Deputy on Tuesday. Thanks for your support with this.

Wayne Ironmonger

Appendix D.25

E-mail: November 9th and 11th, 2001 (reference section 5.3.2)

-----Original Message-----
From: Carman, Carol J MCF:EX <CJCarman@Victoria1.gov.bc.ca>
To: Haynes, Chris MCF:EX <CHaynes@Victoria1.gov.bc.ca>
CC: Smith, Cheryll Anne MCF:EX <CHERYLLS@Victoria1.gov.bc.ca>
Sent: Fri Nov 09 17:29:44 2001
Subject: Message from the Deputy Minister to Staff of MCFD

Last week we discussed your first mesage to staff, and thought about using it as part of the "change management" communications. To that end, we've added a paragraph around Core, and suggested a few "top-of-the-mind" questions. They are embedded in the attached draft text.

If you think we can address or comment on even a couple of these quesitons, it might help.

Talk to you Monday. Thanks.

-----Original Message-----
From: "Haynes, Chris MCF:EX" <Chris.Haynes@gems1.gov.bc.ca>
To: <DougWalls@SocialPolicyGroup.com>
Sent: Friday, November 09, 2001 5:44 PM
Subject: Fw: Message from the Deputy Minister to Staff of MCFD

Any comments

Chris Haynes
Deputy Minister
Ministry of Children and Family Development
Phone: 387-2000

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
Sent: Sunday, November 11, 2001 11:43 AM
To: Haynes, Chris MCF:EX
Subject: Re: Message from the Deputy Minister to Staff of MCFD
Attachments: Word document – Message from the Deputy – Draft 11 09 2001.doc (30 KB)

Chris,

Here are my thoughts.

Doug

K:\Communications SHARE\Strategic Communications\[illegible] In Progress\Connections articles\connections deputy message draft [illegible]

Message from Chris Haynes, Deputy Minister to Staff of MCFD
Draft for Connections website

I am both pleased and honoured to have been appointed permanent Deputy Minister.

I know I don't have to tell you how challenging the next few months are going to be for our ministry but I am reassured by my experience and observations over these past five months that I acted in the position. I have been very impressed by the tremendous competency and depth of knowledge of our staff right across our 11 regions. Despite the unrest and uncertainty I have seen people committed to their work and dedicated to serving their communities.

As we all know, the daily work of this ministry can be difficult and daunting. I know that many of you on the front line must manage the most difficult social traumas of a community, on a 24 hour basis, 365 days a year. Most often, this work is done quietly without recognition and often without any real public understanding of what is involved.

Over the past several months, Minister Hogg has worked to improve public understanding of our work to generate needed support both for staff and for communities to that they may function optimally. It is true that we, like all ministries in government, will change.

Since June, MCFD has created a new vision, mission and values to guide our work. The ministry has also developed six strategic shifts that will inform and guide our future work plans. Both the Minister and I have tried to keep you as up to date as possible – including publishing our internal work and all external feedback on the ministry's website. Included in this are comments and input from staff that have been helpful and are essential to the ministry's successful existence into the future.

These strategic shifts call for a change in our approach to how we carry out the ministry's work with communities and the people we serve within them. In recognizing that the ministry can no longer be all things to all people, we must acknowledge and support families and communities to build their capacity to respond to their own issues and provide supports for their own members. We must encourage this autonomy. At the same time we know there will be critical situations where family and community cannot respond and we will have to provide more substantial and comprehensive services – we have to maintain a community capacity to respond in these situations.

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Deleted: That expertise benefits many service areas including child and family service, child and youth mental health, and youth justice, to name just three.

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Deleted: There are many significant initiatives underway both across government and within MCFD.¶

Deleted: are published on our Core Review website. Many

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Deleted: and the ministry should become streamlined.

Right now, we are developing a work plan to support the implementation of the ministry's new vision and mission, guided and framed by the six strategic shifts. This plan is progressing openly, responsibly and in a manner that can provide long-term sustainability of key social services.

At the same time, we are critically examining the ministry's organization and structure by considering such issues as service delivery models, governance, authority and responsibility, choice, flexibility and portability. And, of course, we are well underway with our response to the government mandated changes to our budget. At this time, decisions are still pending.

I know these combined uncertainties we currently face are very difficult for everyone who works in the ministry. While at this time I can only reassure you that I will communicate progress as it becomes known, I do want to take this opportunity to commend all of your for continuing to approach your daily work in a very professional manner, in spite of these challenges.

As we progress the Minister and I are making every effort to meet face to face with stakeholder groups and I know that regional staff are doing the same. Finally, I would particularly like to thank the many of you who provided me support and encouragement during these past few months as Acting Deputy Minister. The congratulatory notes since my confirmation have been heart warming – whatever the future holds, we will see it through together.

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Deleted: [illegible] such as in the areas of governance models and service delivery options, budget allocation as well as shared services models ¶
¶

Deleted: **(CAN WE NAME A MONTH OR TWO WHEN STAFF MIGHT EXPECT TO HEAR)** [illegible] budget targets have not yet [illegible]. **(WHEN WOULD THEY BE SET AND COMMUNICATED?)** and planning for shared services is still underway ¶
¶
INFORMATION WE MAY WANT TO INSERT¶
______what are the budget process timelines¶
______status report/plans on community governance models¶
______ministry service plan update¶
______how decisions affect [illegible]¶
______impact on MCFD and contracted sector¶
______ministry plans for change management and transition¶
______what staff should be prepared to do (ie can we give options what [illegible] outcomes would impact them

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Deleted: [illegible] to unfold. I assure you that I will continue to keep all staff and community partners informed and involved ¶
¶

Deleted: Let me again state my pride in being the Deputy Minister of a ministry with such competent and dedicated staff. You can all share the acknowledgement of your contribution to an outstanding history of service commitment and dedication to British Columbia ¶
¶

Appendix D.26

E-mail: November 15th, 2001 (reference section 5.4.5)

-----Original Message-----
From: Ironmonger, Wayne MCF:EX
Sent: Thursday, November 15, 2001 11:21 AM
To: McNeill, Chris S MCF:EX
Cc: Foster, Les MCF:EX
Subject: meeting with the Deputy to discuss CareNet/ITSD outstanding charges

Hi Chris. ***Les and I need to get some time with Chris to discuss CareNet/ITSD billings.***

Wayne Ironmonger
Executive Director Electronic Service Delivery and
Systems Services Branch
1312 Blanshard St, Victoria BC
V8W 9S1
250 356- 0167
cell 250 888-3280

-----Original Message-----
From: Foster, Les MCF:EX
Sent: Thursday, November 15, 2001 12:00 PM
To: Haynes, Chris MCF:EX
Cc: Pack, Lynn MCF:EX
Subject: Accepted: Wayne/Les - CareNet & ITSD billings - DMO

Will be there.

Appendix D.27

E-mail: November 30th, 2001 (reference section 5.3.1)

-----Original Message-----
From: Doug Walls [DWalls@WestProWeb.com]
To: Haynes, Chris MCF:EX; Hogg, Gordon J MCF:EX
Sent: Friday November 30, 2001 7:17 AM
Subject: Today's Meeting with the Community Living Coalition

Good Morning to you both,

I just thought I would update you for the meeting this afternoon.

The meeting is at 3:30 pm in WestPro's Board Room - the coalition appointees are meeting at 2pm to plan how to make the meeting work best so you will be joining them at 3:30. When you and Chris arrive, either Al or I will take you around and introduce you to everyone personally.

Here is who will be there:

Al Etmanski, Doug Walls, Jordan Thurston - the three who met with you last Friday (remember it is important that you not let slip that we have met previously to give you a preview).

Al is a parent and is also Executive Director of PLAN.

Jordan is the Executive Director of Mainstream, the largest contractor to MCFD in providing community living and children's services - along with a couple of others has been the real leader in bringing the service providers behind the families.

Laney Bryenton - Executive Director of BCACL (her name is pronounced "lane - ie") - you have met with her two or perhaps even three times previously

Pattie Van Pelt - a self advocate - she is involved with both BCACL in their Self Advocacy Caucus and is also a Board Member of Mainstream (Jordan's organization). She met you at the last meeting with Laney in your constituency office.

Maria Glaze - a parent - she wrote you a letter that has gained a fair bit of recognition as a heart-felt communication. You called her back and told her what a wonderful letter it was. You have never met her just talked to her on the phone.

Linda Perry - a parent and grandparent - she is also the Executive Director of the Microboard Association of BC and has done yeoman's work in working with parents all over the province in getting the message out to MLA's. She has been careful to always encourage them to tell their stories but also say that they want to help and not just be negative.

Mildred DeHaan - a parent - she is one of the parents that was very active in the closure of Woodlands - has also worked for the ministry before and is sort of a famous name amongst the parent community - she was active right throughout the period of the closure of Tranquille and Woodlands

We will try and keep the meeting informal.

The parents and Pattie will be quite nervous.

See you this afternoon.

Regards, Doug

Doug Walls
Vice President - Finance, Strategic Alliances
WestPro Systems Group Inc.
Suite 246, Windsor Square
1959 - 152nd Street
White Rock, B.C. V4A 9E3
Phone (604) 541-4361
Fax (604) 538-9895
Cell (604) 313-5324
email to DWalls@WestProWeb.com

Appendix D.28

E-mail: December 1st, 3rd, 4th and 5th, 2001 (reference section 5.3.2 and 5.4.5)

-----Original Message-----
From: Doug Walls <mailto:Walls@Telus.net>
To: Delta ACL - Doug Woollard <[Section 22]>; IF – Donna <[Section 22]> Diggens ; IF - Pat <[Section 22]> Tesan ; IF - Maria Glaze <mailto:mariaglaze@heartsandsoul.org>; IF - <mailto:lindaperry@microboard.org> Linda Perry ; IF - David Wiens <[Section 22]>; IF - Cathy Anthony <[Section 22]>; IF – Brian <[Section 22]> Salisbury; CTS Spectrum - Ernie Baatz <mailto:ernie@spectrumsociety.org>; CTS Simon Fraser - Dale <[Section 22]> Alexander; CTS NSDRC<mailto:nsdrc@nsdrc.org> - Cathy Crouse; CTS FSI - Dawn Proudlove <mailto:dawnfsi@bcacl.org>; AimHi - Melinda Heidsma <mailto:melinda.heidsma@aimhi.CareNetbc.com>; AimHi - Bill Fildes <mailto:bill.fildes@aimhi.CareNetbc.com>; CLC Governance – Ellen Tarshis <mailto:etarshis@communityliving.bc.ca>; CLC Governance - Al <mailto:AEtmanski@PLAN.ca> Etmanski ; CLC Governance - Dan Collins <[Section 22]>; CLC Governance - Doug <[Section 22]> Walls ; CLC <mailto:jstyan@bamh.org> Governance - Jack Styan ; CLC Governance - Jordan Thurston <[Section 22]>; CLC Governance - <mailto:LBryenton@BCACL.ORG> Laney Bryenton ; CLC <mailto:LSeay@BCACL.ORG> Governance - Lori Seay ; CLC Governance - Pat Feindel <mailto:PFeindel@BCACL.ORG> ; CLC <[Section 22]> Governance - Patti Van Pelt
Cc: CTS HOMES - Cam Dore <mailto:CamDore.HOMES@CareNetBC.com>;BCACL -Cindy <mailto:CChapman@BCACL.ORG> Chapman
Sent: Saturday, December 01, 2001 9:17 AM
Subject: Proposal to Minister Hogg

Good Morning Everyone,

Just a quick note to let you know that representatives of the Community Living Coalition made the presentation to the Minister and the Deputy yesterday afternoon. To all of us there, even the Minister and the Deputy, it felt like an historic occasion for families and for the community living movement. There to make the presentation were Al Etmanski, Mildred De Haan, Patti Van Pelt, Jordan Thurston, Linda Perry, Maria Glaze, Laney Bryenton and myself. It went very well. The Minister was very encouraging with his remarks at the close of the meeting - he said he and his staff would spend the weekend going over it. I have attached copies of the proposal exactly as it was presented including all the final edits agreed upon at the Coalition meeting on Thursday.

If you have older versions in your possession, posted on the web or in circulation, you should do your best to retrieve those and replace them with these.

Thanks to all of you for your incredible support. Both Al and Laney in their comments to the Minister talked about the coalition representing "an unprecedented coming together of people with disabilities, their families, friends and service providers" and "unity in the community living movement that has not been there in the last 40 years".

It was quite a remarkable moment.

Regards, Doug

-----Original Message-----
From: Brian Berglund [mailto:crbconsulting@shaw.ca]
Sent: Saturday December 1, 2001 4:21 PM
To: Ironmonger, Wayne MCF:EX
Subject: Fw: Proposal to Minister Hogg

Wayne

I am forwarding this to you as it may help to put some of my comments in context.

Chris is the only other person in the ministry that has an electronic copy.

Brian

-----Original Message-----
From: "Ironmonger, Wayne MCF:EX" <Wayne.Ironmonger@gems1.gov.bc.ca>
To: "'Brian Berglund'" <crbconsulting@shaw.ca>
Sent: Monday, December 03, 2001 1:38 PM
Subject: RE: Proposal to Minister Hogg

Hi Brian. Thanks for the 'background'. I was aware that the discussions were underway, that's why I was thinking about the December 31st date for resolving the CareNet connection issue. It is wonderful to see the progress that is being made. Do you think that any of this changes the 'focus' for the planned meeting on December 13th?

Wayne Ironmonger
Executive Director Electronic Service Delivery and Systems
Services Branch 1312 Blanshard St, Victoria BC
V8W 9S1
250 356- 0167
cell 250 888-3280

-----Original Message-----
From: Brian Berglund [mailto:crbconsulting@shaw.ca]
Sent: Tuesday December 4, 2001 8:17 AM
To: Ironmonger, Wayne MCF:EX
Subject: Re: Proposal to Minister Hogg

Wayne

I think there is a disconnect between yourself, the agencies and the conversations with the minister et al about what year-end means.

The agencies expect that MCFD will cover telecom costs to March 31 and the nbr. $400k has been used. This is where they will be coming from on Thursday.

The rational has been that connectivity is one of the keys for successful devolution. The premiers office has been adamant that the mistakes that were made around info. and common systems when the Health regions were created will not be repeated. CareNet and the Span-BC connection takes this objection off the table (if I can find an editorial on this I will send it to you under separate cover).

I also think the 13 th meeting is even more important in the light of this direction. Currently over 50% of the large agencies deal with both children/family and community living clients. Can you imagine the mess if the information needs for functions retained by the ministry are not dealt with in the same manner as those that are devolved?

I have a relatively free afternoon if you have some time to follow-up.

Brian

PS

IBM has assessed for a briefing on CareNet as they are looking at the electronic case file for you. My thoughts were to walk them through what is in a case file first...they need to get a handle on the reality of how the business works...then talk to them about why we made the system choices that we did for CareNet...Is this Ok with you?

Brian

-----Original Message-----
From: "Ironmonger, Wayne MCF:EX"
<Wayne.Ironmonger@gems1.gov.bc.ca>
To: "'Brian Berglund'" <crbconsulting@shaw.ca>
Sent: Tuesday, December 04, 2001 9:07 AM
Subject: RE: Proposal to Minister Hogg

Hi Brian. I don't see a 'disconnect' here at all. This is negotiation around a major transition- there will be many of these over the next few months. Connectivity is a major issue for government as a whole- not just MCFD. I'm looking forward to the discussion with the Board. This is an opportunity to build the foundation for future decision making. We are all in new territory and will have to sort out many similar issues as we proceed.

Thanks for the clipping on the health info system. This is definitely a recurring theme and I agree that the meeting on the 13th is a good forum to discuss this.

It's a good plan to demo your system and tools for IBM. I'm involved in ongoing discussions with them so was aware that there was a potential meeting. Give me a call if you want to discuss any of this further.

Best regards,

Wayne Ironmonger
Executive Director Electronic Service Delivery and Systems
Services Branch 1312 Blanshard St, Victoria BC
V8W 9S1
250 356- 0167
cell 250 888-3280

-----Original Message-----
From: Brian Berglund [mailto:crbconsulting@shaw.ca]
Sent: Tuesday December 4, 2001 9:41 AM
To: Ironmonger, Wayne MCF:EX
Subject: Re: Proposal to Minister Hogg

Hi Wayne

I am running out the door for a meeting with ITSD....major panic at home...the X-mas tree stand crumpled causing the tree to fall and totalled most of the bulbs...what a mess

Anyway on to business

My understanding is that both sides want to park this one...hence the March 31 date...There are enough other issues to deal with and this collective building of a common platform is viewed as being productive for all parties...however the future shakes out.

On another topic, have you had the opportunity to meet Gerri Sinclair yet?

She is the chair of the premiers council on technology. Two of their sub committees are dealing with areas the may impact you, telecom. and e-business (health data exchange). They do not seem to have alot of input from the programs...ITSD has been their major source of data, dangerous.

Gerri is a good lady and very approachable....

Brian

-----Original Message-----
From: "Ironmonger, Wayne MCF:EX"
<Wayne.Ironmonger@gems1.gov.bc.ca>
To: "'Brian Berglund'" <crbconsulting@shaw.ca>
Sent: Tuesday, December 04, 2001 9:46 AM
Subject: RE: Proposal to Minister Hogg

Now there's a picture Brian. Maybe it's a lesson for getting your tree up so early.
I haven't met Gerri. I'll make a note of her name and try to make a connection. My goal for the meeting on Thursday is to come out of the meeting with something in writing so that the decisions/decision requests are formalized for all of the parties concerned including ITSD. I'm confident we can achieve that on Thursday.

Good luck with the tree!

Wayne Ironmonger
Executive Director Electronic Service Delivery and
Systems Services Branch
1312 Blanshard St, Victoria BC
V8W 9S1
250 356- 0167

cell 250 888-3280

-----Original Message-----
From: "Brian Berglund" <crbconsulting@shaw.ca>
To: "Doug Walls(socialpolicygroup.com)" <dougwalls@socialpolicygroup.com>
Sent: Tuesday, December 04, 2001 7:38 PM
Subject: Fw: Proposal to Minister Hogg

Doug

Are you ok with this..or do I need to beat him up some more

Brian

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
Sent: Wednesday, December 5, 2001 7:19 AM
To: Haynes, Chris MCF:EX
Subject: Meeting with Wayne Ironmonger Tomorrow

Hi! Chris,

I actually had trouble sleeping last night - I just couldn't shake off the feeling - combination of awe and wonder kind of - about your success at Core Services yesterday. This is a great opportunity for you and I to make the kind of changes we have dreamed about for years and years - and our chance to mark a permanent place in human service. Thanks so much for the hand holding, the risk taking and the counsel through these last few years - I treasure our relationship.

On to more mundane stuff . . .

You can see from the chain of emails below that Brian is nervous about what Wayne has in mind for the meeting with the CareNet Exec (Bruce Hardy, Cam and Jordan are meeting with him) on Thursday afternoon. Bruce, Cam and Jordan are not expecting a difficult meeting - I have not geared them up for that at all. Brian is concerned that Wayne is for some reason resisting putting this to bed for the fiscal year - he knows the $400 k will now cover for the full period to March 31/2002 but Brian feels he is deliberately confusing "year end" between Dec 31 and Mar 31. I am reluctant to get you involved but I also don't want to create a tension where none need exist. Brian feels he understands the direction that things are going and the importance of this relationship with the agencies and their value in tackling ITSD on overall cost issues but just isn't there.

Any suggestions?

Doug

Appendix D.29

E-mail: December 7th, and 9th, 2001 (reference section 5.4.5)

-----Original Message-----
From: Ironmonger, Wayne MCF:EX
Sent: Friday December 7, 2001 12:31 PM
To: [Section 22]
Subject: summary of meeting discussion December 6/2001 with CareNet Board reps and staff

Cam;

This is to follow up on yesterday's meeting with yourself, Jordan, Bruce, Doug and Brian. This is a summary of the discussion:

1. The Ministry will cover the cost of the existing ITSD connection fees until December 31/01. This will be approx. $290,000. It is understood that only $50,000 was included in tne Ministry's base budget. I will work with the EFO Les Foster and the Deputy Minister Chris Haynes to find the addtional amount.

2. The CareNet Board will formally request that the Ministry pay for the cost of the connection fees until the end of the fiscal year. The rationale for this request is to allow adequate time for decisions to be made regarding new governance and service delivery models. Once I receive the request I will take it to the Deputy and EFO for review.

3. I plan to meet with agency reps (some using the CareNet system, others not) in mid-December to explore opportunities for using information systems to improve overall services. Ideas for business process and performance management improvements will be consider in any discussion and implementation of governance models.

4. The Ministry will be proactive in supporting the development of policies and standards for information systems that must be in place prior to moving into any new governance models. The CareNet Board is prepared to provide input and advice on this.

Please let me know if I've missed anything on this Cam or if you have additional. It is my intention to copy Chris Haynes, Les Foster and ITSD reps once I have your approval on the content of this note.

Wayne Ironmonger
Executive Director Electronic Service Delivery Division

-----Original Message-----
From: Ironmonger, Wayne MCF:EX
Sent: Friday December 7, 2001 12:35 PM
To: Haynes, Chris MCF:EX; Foster, Les MCF:EX
Subject: FW: summary of meeting discussion December 6/2001 with CareNet Board reps and staff

I met with CareNet board reps yesterday along with Doug Walls and Brian Berglund. This is a summary of the meeting decisions. I've reviewed this with Cam Dore by phone. He hasn't seen the note yet. Once I hear back from him I'll forward a copy to you and ITSD reps. Please let me know if you need further info on this at this time.

Wayne

----- Original Message -----
From: Foster, Les MCF:EX <LTFoster@Victoria1.gov.bc.ca>
To: Ironmonger, Wayne MCF:EX <WIRON@Victoria1.gov.bc.ca>
CC: Haynes, Chris MCF:EX <CHaynes@Victoria1.gov.bc.ca>
Sent: Sunday, December 09, 2001 2:49 PM
Subject: RE: summary of meeting discussion December 6/2001 with CareNet Board reps and staff

Item 2 I assume will be only for EXISTING connections... or is the intent for us to pay for new ones too? Any idea what this would cost you for the remainder of the year in excess of the $50,000 you have budgeted?

Les Foster
Assistant Deputy Minister, Management Services Division Ministry of Children and Family Development
Phone: (250) 387-1745; Fax: (250) 356-2920; Resp: XCA
email: Les.Foster@gems3.gov.bc.ca

From: Haynes, Chris MCF:EX
Sent: Sunday, December 09, 2001 3:02 PM
To: 'DougWalls@SocialPolicyGroup.com'
Subject: RE: summary of meeting discussion December 6/2001 with CareNet Board reps and staff

Chris Haynes
Deputy Minister
Ministry of Children and Family Development
Phone: 387-2000

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

Appendix D.30

E-mail: January 29, 2002 (reference section 5.4.5)

----- Original Message -----
From: Campbell, Valeska MSER:EX
Sent: Tuesday January 29, 2002 1:49 PM
To: Cox, Wendy G MCF:EX
Cc: Ironmonger, Wayne MCF:EX; Lam, Laura F MSER:EX; Carson, George F MSER:EX; Francis, Susanna MSER:EX; Lepsenyi, Gord MSER:EX
Subject: CareNet JV Information Received

Hello Wendy:

Thank-you for FAXING Laura the MCFD Journal Voucher information to use for the outstanding Network billing totalling $298.527.10 representing the balance of CareNet Technology Society's charges up to December 31, 2001.

May we also assume that this same JV coding will be used to process CareNet's Network charges of January 1 - March 31 2002? This confirmation is necessary to release current frozen orders requested by CareNet for new installs that are pending.

Let us know as soon as possible in order to action the CareNet Telecommunication Service Request's that are being held. Thank-you.

Valeska Campbell, Customer Support Representative
Ministry of Management Services
Common Information Technology Services (CITS)
Ph: 250 387-4791 Fax: 250 387-4722
Email: Valeska.Campbell@gems4.gov.bc.ca
http://www.ista.gov.bc.ca

----- Original Message -----
From: Ironmonger, Wayne MCF:EX
To: Campbell, Valeska MSER:EX; Cox, Wendy G MCF:EX
Cc: Lam, Laura F MSER:EX; Carson, George F MSER:EX; Francis, Susanna MSER:EX; Lepsenyi, Gord MSER:EX
Sent: Tuesday January 29, 2002 2:41 PM
Subject: RE: CareNet JV Information Received

MCF agreed to pay the invoices to December 31,01. Payment beyond Jan 1/02 is contingent on CareNet making a formal request to the Ministry and this being approved by our EFO and DM. I have not received this request. I will contact the Chair of the CareNet Board Cam Dore and get an update from him on this.

Wayne Ironmonger
Executive Director, Electronic Service Delivery and
Chief Information Officer
1312 Blanshard St, Victoria BC
V8W 9S1
250 356- 0167
cell 250 888-3280

Appendix D.31

E-mail: January 30th, 2002 (reference section 5.3.2)

-----Original Message-----
From: Doug Walls [DougWalls@SocialPolicyGroup.com]
Sent: Wednesday January 30, 2002 3:58 PM
To: Haynes, Chris MCF:EX
Cc: Walman, Barbara MCF:EX
Subject: Confidential
Attachments: Transition Model – Revised Draft 0130 2002.doc (26 KB)

Hi!

Here is the draft of the transition model that the Coalition is going to consider at the meeting tomorrow. There may yet be changes to it as a result of the discussion but likely not substantial.

Please do not share this with anyone on Exec at this point as it is only being circulated amongst the Coalition Big Table members at this point.

Doug

-----Original Message-----
From: Haynes, Chris MCF:EX
Sent: Wednesday January 30, 2002 5:52 PM
To: 'Doug Walls'
Subject: RE: Confidential

Thanks,Doug. It looks interesting!!

Chris Haynes
Deputy Minister
Ministry of Children and Family Development
Phone: 387-1541
Fax: 356-2920

Appendix D.32

E-mail: January 30th and February 1st, 2002 (reference section 5.4.5)

----- Original Message -----
From: Doug Walls [mailto:DWalls@CareNetBC.com]
Sent: Wednesday January 30, 2002 5:33 PM
To: Ironmonger, Wayne MCF:EX
Cc: CareNet - Brian Berglund; CTS Mainstream - Jordan Thurston; CTS BAMH - Jack Styan; CTS HOMES - Cam Dore; CTS Options - Bruce Hardy
Subject: Draft Letter

Hi! Wayne,

Cam called me to ask about the letter so I am enclosing a draft in the form that is currently circulating amongst Cam, Jack, Jordan and Bruce. I don't expect any changes of signficance. The original will be sent out Thursday or Friday by courier.

Call me if you need anything.

Cheers, Doug

----- Original Message -----
From: Ironmonger, Wayne MCF:EX
Sent: Friday February 1, 2002 4:09 PM
To: Foster, Les MCF:EX
Cc: Graf, Marie MCF:EX; Appleton, Graham W MCF:EX
Subject: FW: Draft Letter

Hi Les. Attached is the draft request from CareNet for funding until the end of the fiscal year and approval for the additional connections. I just rec'd another note from Doug Walls indicating that the signed letter is being couriered today. We should try to get a few minutes with the Deputy on Friday when we are together to discuss how he wants to proceed with this. I'm out of the office until Wednesday morning. Have a good weekend.

Wayne Ironmonger
Executive Director and Chief Information Officer
Electronic Services Delivery
1312 Blanshard St, Victoria BC

V8W 9S1
250 356- 0167
cell 250 888-3280

----- Original Message -----
From: Foster, Les MCF:EX
Sent: Friday February 1, 2002 4:20 PM
To: Ironmonger, Wayne MCF:EX
Subject: RE: Draft Letter

so how much does this come to?

Les Foster
Assistant Deputy Minister, Management Services Division
Ministry of Children and Family Development
Phone: (250) 387-1745; Fax: (250) 356-2920; Resp: XCA
email: Les.Foster@gems3.gov.bc.ca

----- Original Message -----
From: Ironmonger, Wayne MCF:EX
Sent: Friday February 1, 2002 4:38 PM
To: Foster, Les MCF:EX
Subject: RE: Draft Letter

I don't have the file with me Les so I don't have the exact details(I'm working at home today). I know that the invoice to the end of December was $297.000. Based on that, the remaining 3 months would be approx. $100,000 plus the hook fee and monthly charges for the new connections. My guess is that the total, with the new commitments, would be in the range of $150,000.00. If that is the case the annualized cost would be approx. $600,000.00.
My biggest concern is our longer term strategy. According to ITSD there are a number of agencies (not affiliated with CareNet) who want to get into the secure network. We've got to consider this in the context of the CareNet decision because of the perceived precedent as we move into governance discussions.

Wayne Ironmonger
Executive Director and Chief Information Officer
Electronic Services Delivery
312 Blanshard St, Victoria BC
V8W 9S1
250 356- 0167
cell 250 888-3280

----- Original Message -----
From: Foster, Les MCF:EX
Sent: Friday February 1, 2002 4:47 PM
To: Ironmonger, Wayne MCF:EX
Subject: RE: Draft Letter

Thanks...lets discuss next week. Part of the issue is "Does this make sense and is it saving us $... ie a business case, and where are the savings occuring, and who gets them?"

Les Foster
Assistant Deputy Minister, Management Services Division
Ministry of Children and Family Development
Phone: (250) 387-1745; Fax: (250) 356-2920; Resp: XCA
email: Les.Foster@gems3.gov.bc.ca

----- Original Message -----
From: Ironmonger, Wayne MCF:EX
To: Foster, Les MCF:EX
Sent: Friday February 1, 2002 5:16 PM
Subject: RE: CareNet JV Information Received

Hi Les. I drafted a long winded response which got lost when the system went down for a few minutes. Let's get together. i agree with you questions. To put a blunter point on it- savings aren't savings unless you've pulled them from the base. Unless the plan is to fund this on an ongoing basis by reducing real costs the net result is that we're spending more money.

Wayne

Appendix D.33

E-mail: February 25th, 2002 (reference section 5.4.5)

-----Original Message-----
From: Walman, Barbara MCF:EX
Sent: Monday, February 25, 2002 10:35 AM
To: Chris Haynes
Subject: ***tetra***

Requesting $15,000 for network assistance with CareNet...are we interested?

Barbara Walman
Special Advisor to the Deputy Minister
Ministry of Children & Family Development
phone: (250) 387-5274
fax: (250) 356-2920

Appendix D.34

E-mail: March 23rd and 24th, 2002 (reference section 5.4.5)

-----Original Message-----
From: Ironmonger, Wayne MCF:EX <WIRON@Victoria1.gov.bc.ca>
To: Foster, Les MCF:EX <LTFoster@Victoria1.gov.bc.ca>
Sent: Sat Mar 23 11:33:33 2002
Subject: CareNet- Outstanding Charges and New Connections

Hi Les;
Here are some notes to start the discussion on the resolution of the CARENET connection fees issue. Let's try to get some time with Chris on Monday to discuss this.

Wayne

Background:

The Ministry for Children and Family Development has agreed to transfer funds to CITS (ITSD at the time) for connection fees for CareNet agencies from March 31, 2001 to December 31, 2001. It was further agreed that we would cover these costs to the end of the current fiscal year pending the development of a longer term agreement on the broader issue of building a secure network for the exchange of e-mail and other info between the Ministry and partner agencies.

There are an additional 24 CareNet affiliated agencies waiting to be connected to the SPAN BC network. At current connection fee rates, the annualized cost for existing and new connections with CareNet agencies would be in the range of $750,000.00.

Current situation:

CITS has expressed an interest in working with MCF to develop a longer term cost effective solution to this problem. I have discussed the need to build a secure network with staff in the Ministry of Health and they are interested in partnering with us on this. I have also had discussions with representatives from the BC Federation of Child Care Agencies and they are also very keen to be actively involved in building a solution.

Options:

1. Continue to deal with the issue of connection fees for CARENET affiliated agencies as a separate issue. Within this option we could discontinue payment for existing agency connections, pay only for existing agency connections until a longer term resolution is found, or pay for existing and pending agency connection fees until a longer term resolution was found.
2. Resolve the issue of the CARENET connection fees within the context of a global agreement with CITS that would see us work on the development of a secure network that would cover all MCF agencies in the next fiscal year. MCF would transfer block funding to CITS as opposed to taking an agency by agency approach to billing for connection fees.

Recommendation:

Option 2. Proceed immediately to negotiate an agreement with CITS that would cover existing and pending connection fees in the context of the development of a global approach that would lead to the development of a cost effective secure network for all MCF agencies. MCF would, where possible, partner with other ministries (Health, Human Resouces etc) on this approach.

Objective:

-----Original Message-----
From: Foster, Les MCF:EX
To: Ironmonger, Wayne MCF:EX
Sent: 3/23/02 5:30 PM
Subject: Re: CareNet- Outstanding Charges and New Connections

Thanks Wayne. We need to indicate that there are funds for option 2 in your base budget(are there?) and that funding should come from transition funds. Another option is to just cover the costs of those already hooked up but not the ones pending. Should we not mention that we need a secure network or is that prejudging the outcome of your corporate infrastructure working group. ***Once we get Chris' OK it should go to Exec or the 4 chairs at least.*** Thanks for doing this on a gorgeous Saturday.

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

-----Original Message-----
From: Ironmonger, Wayne MCF:EX <WIRON@Victoria1.gov.bc.ca>
To: Foster, Les MCF:EX <LTFoster@Victoria1.gov.bc.ca>
Sent: Sun Mar 24 10:10:18 2002
Subject: RE: CareNet- Outstanding Charges and New Connections

Hi Les. I'll make the changes you suggest and have it ready for tomorrow morning. There are no funds in the base budget for any of this and my thought was that it would come out of the transition fund. If we partner with Health, CITS and possibly MHR and MACAWS we should be able to negotiate a cost effective solution.

It's another beautiful day out there. We're going over to Vancouver for the day. Should be able to sit out on the deck of the ferry in a sunny spot. I'll see you tomorrow.

Wayne

-----Original Message-----
From: Foster, Les MCF:EX
Sent: Sunday, March 24, 2002 11:04 AM
To: Ironmonger, Wayne MCF:EX
Subject: RE: CareNet- Outstanding Charges and New Connections

Thanks Wayne. Enjoy Vancouver.

Sent from my BlackBerry Wireless Handheld (www.BlackBerry.net)

Appendix D.35

E-mail: March 25th, 2002 (reference section 5.4.5)

-----Original Message-----
From: Ironmonger, Wayne MCF:EX
To: Francis, Susanna MSER:EX
Sent: Mon 3/25/2002 9:54 AM
Subject: ***Tentative: CareNet Status***
When: Monday, March 25, 2002 10:30 AM-11:00 AM.
Location: teleconference

Hi Susanna. I'm just on my way over to meet with the Deputy re: this issue. I'll give you a call as soon as I finish meeting with him.

Wayne

Appendix D.36

E-mail: March 27th, 2002 (reference section 5.4.5)

-----Original Message-----
From: Ironmonger, Wayne MCF:EX
Sent: Wednesday, March 27, 2002 8:07 AM
To: Francis, Susanna MSER:EX
Cc: Nikolejsin, Dave MSER:EX; Foster, Les MCF:EX; Weicker, David MCF:EX; Graf, Marie MCF:EX
Subject: CareNet connection charges and the creation of a secure network

Good morning Susanna. Here is a summary of our recent phone conversations regarding a proposal for resolving the issue of building a secure network for the exchange of information between the Ministry for Children and Family Development and its partner agencies.

Background:

The Ministry is moving towards devolving its services into regional governance authorities. In order for these authorities to operate effectively they must have a secure network for the exchange of information within and between the governing authorities.

This will require the development of a cost effective solution that will link all agencies, not only those agencies who are part of CareNet.

The Ministry for Children and Family Development has agreed to transfer funds to CITS (ITSD at the time) for connection fees for CareNet agencies from March 31, 2001 to December 31, 2001. It was further agreed that we would cover these costs to the end of the current fiscal year pending the development of a longer term agreement on the broader issue of building a secure network for the exchange of e-mail and other info between the Ministry and partner agencies. ***As I indicated to you yesterday, I will process any outstanding charges to the end of the 2001/02 fiscal year.***

There are an additional CareNet affiliated agencies waiting to be connected to the SPAN BC network. CareNet has requested that we connect up to 10 of these agencies pending the longer term resolution of this issue.

In previous discussions CITS has expressed an interest in working with MCF to develop a longer term cost effective solution to this problem. I have discussed the need to build a secure network with staff in the Ministry of Health and they are interested in collaborating with us on a solution. I have also had discussions with representatives from the BC Federation of Child Care Agencies and they are also very keen to be actively involved in development or pilot projects.

Earlier this week I presented the following options and recommendation to our EFO and DM:

1. Continue to deal with the issue of connection fees for CARENET affiliated agencies as a separate issue. Within this option we could discontinue payment for existing agency connections, pay only for existing agency connections until a longer term resolution is found, or pay for existing and pending agency connection fees until a longer term resolution was found.
2. Resolve the issue of the CARENET connection fees within the context of a longer term global plan for building a secure network.

Recommendation:

Option 2. Proceed immediately to negotiate an agreement with CITS that would cover existing and pending connection fees in the context of the development of a global approach that would lead to the development of a cost effective secure network for all MCF governing authorities and agencies. MCF would, where possible, partner with other ministries (Health, Human Resouces etc) on this approach.

This recommendation was approved.

Next steps:
1. set up a meeting with CITS to discuss this proposal
2. I will contact CareNet officials and provide them with a status report

I am available to meet on Thursday or Friday next week. Please let me know if that will work for you or if you need further information. Thanks Susanna.

Wayne Ironmonger
Executive Director and Chief Information Officer
Electronic Services Delivery
1312 Blanshard St, Victoria BC
V8W 9S1
250 356- 0167
cell 250 888-3280

-----Original Message-----
From: Nikolejsin, Dave MSER:EX
Sent: Wednesday March 27, 2002 10:05 AM
To: Ironmonger, Wayne MCF:EX
Cc: Francis, Susanna MSER:EX; Jauhal, Karm MSER:EX; Watkins, Peter MSER:EX
Subject: RE: CareNet connection charges and the creation of a secure network

Wayne, thanks for the info.

I'm acting for Byron next week, so my schedule is packed. However, this is important, so please let me know asap (pls. copy Karm) the times you could met next Thurs/Fri and I will attempt to juggle my schedule to accommodate.

Thanks.

-----Original Message-----
From: Ironmonger, Wayne MCF:EX
Sent: Wednesday, March 27, 2002 11:52 AM
To: Nikolejsin, Dave MSER:EX
Cc: Francis, Susanna MSER:EX; Jauhal, Karm MSER:EX; Watkins, Peter MSER:EX; MacMillan, Karen MCF:EX
Subject: RE: CareNet connection charges and the creation of a secure network

Hi Dave. At this point the only meeting I have scheduled on April 3 and 4 is from 10-11 on Tuesday. Please pick a time that works for you and I'll have Karen MacMillan put it in my schedule.

Wayne Ironmonger
Executive Director and Chief Information Officer
Electronic Services Delivery
1312 Blanshard St, Victoria BC
V8W 9S1
250 356- 0167
cell 250 888-3280

Appendix D.37

E-mail: March 27th and 28th, 2002 (reference section 5.4.5)

-----Original Message-----
From: Danderfer, Joan MCF:EX
To: Ironmonger, Wayne MCF:EX
Cc: Appleton, Graham W MCF:EX; Cox, Wendy G MCF:EX
Sent: Wednesday, March 27, 2002 11:05 AM
Subject: Care Net Enquiry

We have just had an enquiry from CITS re the processing of the CareNet expenditures from Jan - Mar aprox $110K. Is the Ministry going to accept the charges and if MCFD is accepting, should the JV be processed through ESD accounts?

Please advise as we need to advise CITS so they can process for year end.
Thanks

Joan Danderfer
Manager, Project Office
Systems Services Branch
Ministry of Children and Family Development
Phone 356-6068; Fax 387-3005

-----Original Message-----
From: Ironmonger, Wayne MCF:EX
Sent: Thursday March 28, 2002 1:33 PM
To: Danderfer, Joan MCF:EX
Cc:Appleton, Graham W MCF:EX; Cox, Wendy G MCF:EX
Subject: RE: Care Net Enquiry

Hi Joan. ***We will process the invoice through ESD accounts as we did last time with a note that this is not in our base budget. Les Foster and Chris Haynes are aware of this plan.***

Wayne

Appendix D.38

E-mail: June 30th, 2002 (reference section 5.4.5)

-----Original Message-----
From: Doug Walls [mailto:DWalls@CareNetBC.com]
Sent: Sunday, June 30, 2002 9:51 AM
To: CTS AimHi – Bill Fildes; CTS Aim Hi – Melinda Heidsma; CTS BAMH – Jack Styan; CTS BAMH – Peter Kerr; CTS Coast Society – Darrell Burnham; CTS Choices – Lorna Dittmar; CTS Fraserside – Caroline Bonesky; CTS Mainstream – JordanThurston; CTS NPCRS – Linda Harvey; CTS NSDRC – John Neumann; CTS OFS – Dennis Dandeneau; CTS Options – Bruce Hardy; CTS PLEA – Timothy Agg; CTS Penticton SCL – Charisse Daley; CTS Powell River ACL – Lilla Tipton; CTS RACL – Sylvia Tremblay; CTS SCACL – Glen McClughan; CTS Sea to Sky – Lois Wynne; CTS WJS – Michael Hines; Terrace SCL – Marilyn Lissimore; CTS Howe Sound RSS – Mike Hopton; CTS MSA – Richard Ashton; Saltspring CSS – Lynne Brown; Victoria ACL – Ellen Tarshis; CTS Delta CCS – Doug Wollard; CTS Ft St john ACL – Cindy Mohr; CTS Gateway – Mary Ramage; CTS Simon Fraser – Dale Alexander; CTS QACL – Colleen Hackler; CTS Share – Joanne Granek
Cc: CareNet – Mike Kemp; CareNet – Joyce MacDonald; CareNet – Doug Walls; CareNet – Alan Baumbrough; CareNet – Brian Berglund
Subject: Telecom Services Update

Good Morning,

GOOD NEWS!

All of you have outstanding requests for hookup to SPAN-BC or for an upgrade in your telecom service. It would now appear that the Ministry of Children and Family Development and the Ministry of Management Services have sorted out their relationship and the issues around CareNet Technology Society member service.

Wayne Ironmonger, Executive Director and Chief Information Officer of the Ministry of Children and Family Development has sent out a notice to each of the RED's and Interim CEO's advising them of the decision to provide these services out of Victoria budgets and asking them to provide their support for the decision.

I urge each of you to phone your RED and Interim CEO in each region you are providing service and let them know how important this is to you. Assuming everything goes as Wayne expects, ITQ's will be issued within a matter of a week or so and installation via Telus will follow.

If you have any questions please call me.
Regards, Doug

Doug Walls
CareNet Technology Society
95 – 1959 152nd Street
White Rock, BC V4A 9E3
Direct Line [604] 541-4361
Email to dwalls@CareNetbc.com <mailto: dwalls@CareNetbc.com>

-----Original Message-----
From: Timothy Agg
Sent: Monday, July 01, 2002 7:22 PM
To: Stephen Quinlan
Subject: FW: Telecom Services Update

What's this mean for us?

-----Original Message-----
From: Stephen Quinlan
Sent: Wednesday, July 03, 2002 10:05 AM
To: Rosalind Rodrigues
Subject: FW: Telecom Services Update

-----Original Message-----
From: Rosalind Rodrigues
Sent: Wednesday, July 03, 2002 11:29 AM
To: Timothy Agg
Cc: Stephen Quinlan
Subject: CareNet and connection to SPAN BC
Importance: High

OK, I've just spoken to Doug Walls to try and understand the political agenda here with all this. Basically, the story is this:

MCFD has been involved in a fight with the ITSD (Information Technology Services Division) which now has changed names to CITS (not sure what it stands for). I think there have been a number of issues (cost being one of them, control another, connection to CareNet member agencies a sticky point with some) and while they were in dispute, MCFD had put a freeze on any new connections. We put in an order for an ADSL line for the new Boys Treatment Centre in mid May and the order has still not been placed.

As per this email, that dispute has now been resolved and Wayne Ironmonger is sending out a notice to the REDs asking for their support. While it's Wayne's budget in Victoria that is picking up the tab for CareNet member agencies' connection to SPAN (not out of regional budgets) he apparently does not have full support of all the REDs for the idea in principal of community agencies such as ourselves to be on the government's private and secure information highway (better known as SPAN). CareNet agencies are the only non-government bodies behind the firewall. Doug Walls is therefore urging the Executive Directors to give their REDs a call saying that they've heard Wayne has put out this notice and did they know how important it was to agencies such as ourselves that they lend their support to this. Doug mentioned Fred Milowsky's name in particular as maybe being someone we should try to convince.

What this means to us – through CareNet and with MCFD support:

1) our internet connection lines are free – a huge savings for PLEA
2) more importantly, being on SPAN means that we are behind the government firewall, not out there on the open internet – this is very important for our own email even, for the client information system, for connections between our satellite offices and for email with the Ministry.

Thanks, Tim. Call all the REDs you can!
Ros

-----Original Message-----
From: Timothy Agg [mailto:TAgg@plea.bc.ca]
Sent: Wednesday, July 03, 2002 11:49 AM
To: Hayes, Judy MCF:EX
Subject: FW: CareNet and connection to SPAN BC
Importance: High

Any thoughts on this for me?
See you Friday.

-----Original Message-----
From: Hayes, Judy MCF:EX
Sent: Tuesday, July 9, 2002 9:10 AM
To: Ironmonger, Wayne MCF:EX
Subject: FW: CareNet and connection to SPAN BC
Importance: High

Here is the note that Doug Walls sent. This is for your information as I don't know that Tim expected his note to go anywhere.

Appendix D.39

E-mail: July 18th, 22nd and 31st, 2002 (reference section 5.4.5)

-----Original Message-----
-----Original Message-----
From: Francis, Susanna MSER:EX
Sent: Thursday, July 18, 2002 2:11 PM
To: Danderfer, Joan MCF:EX
Cc: Wald, Jackie MCF:EX
Subject: Sending CareNet Bills to MCFD

Hello Joan,

CITS has been sending invoices to CareNet Technology Society for network services (Invoice Client 5465). CareNet has not to this date paid CITS directly for services, but MCFD has on several occassions given CITS approval to JV MCFD to cover these costs. ***In my discussion with Wayne Ironmonger today, he told me that CITS can send the bills for these services directly to MCFD on a monthly basis, providing we do not process any moves or install additional circuits. This is an interim step until CITS (working with the CIO's office) comes up with a strategy for lower cost secure network for organizations such as CareNet who have close relationship with the government.***

As per Wayne's direction, we can keep these charges separate from other charges to MCFD by keeping a separate Invoice Client.

Can you please provide me with the JV coding required? Thank you Joan.

Susanna Francis
Client Business Analyst, Vancouver
Common IT Services
Ministry of Management Services
604 660-9533, fax: 604 660-6106
Susanna.Francis@gems2.gov.bc.ca
http://www.mser.gov.bc.ca

-----Original Message-----
From: Francis, Susanna MSER:EX
Sent: Thursday, July 18, 2002 2:13 PM
To: DATATSR MSER:EX
Cc: Lam, Laura F MSER:EX; Carson, George F MSER:EX; Kuhn, Walter MSER:EX

Subject: FW: Sending CareNet Bills to MCFD

Hello DataTSR. As per note below, please continue to hold any requests except takeouts from CareNet. Can you please let me know if any orders do come in? Thank you.

Susanna Francis
Client Business Analyst, Vancouver
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-----Original Message-----
From: Francis, Susanna MSER:EX
Sent: July 18, 2002 2:25 PM
To: Wald, Jackie MCF:EX
Subject: FW: Sending CareNet Bills to MCFD

Hello Jackie, if CITS will be sending the bills directly to MCFD for services provided to CareNet, should we change the TSR Matrix so that the requests have to come from someone at MCFD?

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-----Original Message-----
From: Wald, Jackie MCF:EX
Sent: Monday, July 22, 2002 8:11 AM
To: Francis, Susanna MSER:EX
Subject: RE: Sending CareNet Bills to MCFD

Susanna,
I'm not clear on how the TSR matrix works from your side of the fence. If CareNet is still allowed to do takeouts (but not upgrades/installs) then they will still need to be on the matrix. It can't hurt to have MCFD on the matrix as well, but I don't think we should be exclusive.

I'm not sure how long Wayne is willing to continue to pay for this, but if all changes are on 'hold' then I expect nothing should happen that would surprise us.

If I've misunderstood, perhaps we should discuss by phone.

Thanks,
Jackie

-----Original Message-----
From: Francis, Susanna MSER:EX
Sent: July 31, 2002 10:22 AM
To: Wald, Jackie MCF:EX
Subject: RE: Sending CareNet Bills to MCFD

Hello Jackie,

I just spoke to Gerry Sohy of CareNet to inform him of the billing change and will be following up with an EMail. I also told him about the restriction of not installing or moving circuits. He expressed concern about this as he believes the ministry wants to expand the program. He wanted to know who in the ministry he should discuss this with. Should I direct him to Wayne Ironmonger?

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-----Original Message-----
From: Wald, Jackie MCF:EX
Sent: Wednesday, July 31, 2002 10:48 AM
To: Francis, Susanna MSER:EX
Cc: Morton, Barry A MCF:EX
Subject: RE: Sending CareNet Bills to MCFD

Susanna,

I think it's best that he discuss with Wayne. ***It was my understanding that Wayne agreed to pay for the circuits but there was no indication that we were supporting an expanded CareNet program.***

Thanks,
Jackie

Appendix E

Estimates Briefing Notes (FY 03-04) (reference section 5.4.5)

TITLE: **CareNET Technology Society**

ISSUE: **Ongoing Ministry Support for CareNET Technology Society**
(CareNET provides computer network communications services to some contracted service providers.)

RECOMMENDED RESPONSE:

- Prior to the move towards community governance, the Ministry did not provide network computer communication services to contracted service providers;
- Subsequent to the move to community governance the ministry is designing and implementing a plan to work with the community and service providers to provide secure computer network communications services to contracted service providers.

BACKGROUND/STATUS: *(Note - Information about the CareNET Technology Society organization was obtained from their web-site.)*

- CareNET is an Internet portal and e-business service provider for health and social service agencies in British Columbia. It provides these agencies with communications links and automated operational and management tools.
- CareNET is a non-profit society governed by its members, other non-profit societies. CareNET has developed strategic relationships with leading technology and service organizations such as WestPro, ComVida, IBM and VanCity.
- Board members include:
    - **Cam Doré** - President. (HOMES - Executive Director)
    - **Jack Styan** - Vice President/Chief Privacy Officer. (BAMH - Executive Director)
    - **Ernie Baatz** - Secretary/Treasurer. (Spectrum - Executive Director)
    - **Jordan Thurston** - Vice President Marketing. (MAPCL - Executive Director)
    - **Dale Alexander** - Vice President (Simon Fraser - Executive Director)
    - **Bert Aitena** - Director. (Bethesda Christian - Executive Director)
    - **Paul Wheeler** - Director. (Semiahmoo - Executive Director)
    - **Al Etmanski** - Director. (PLAN - Executive Director)
    - **Danette Kugler** - Director. (Ridge Meadows - Executive Director)
    - **Mike Keating** - Director (Comm Ventures - Executive Director)
    - **Eugene Klassen** - Director (MCC SCS - Executive Administrator)
    - **Garry Molitwenik** - Director (NOCLS - Executive Director)
    - **Malcolm Hopkins** - Director (PLEA - Manager Admin and Finance)
    - **Bruce Hardy** - Director (Options - Executive Director)
    - **Bill Fildes** - Director (AimHi - Executive Director)
    - **Ann Kutcher** - Director (Westcoast Family - Executive Director)
- The Ministry has provided seed funding to CareNET as follows:
    - CARE NET funding to Dec 31/02 totals $308,622.
    - Projecting this amount to end of fiscal the amount that we are planning to spend for this fiscal on CARENET is $411,492.
    - CARE NET has been restricted to a specific number of users between 28 and 31.